Daily Report

East Europe

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FBIS-EEU-94-149 *3 August 1994*

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UN's Stoltenberg: Serbs 'Really Isolated'

AU0108155294 Paris AFP in English 1505 GMT 1 Aug 94

[Text] Geneva, Aug 1 (AFP)—The Bosnian Serbs are "really isolated" following their rejection of the latest international peace plan, Thorvald Stoltenberg, co-president of the conference on ex-Yugoslavia, said here Monday.

The United Nations representative told a news conference: "They (the Bosnian Serbs) are really isolated and more than they probably expected."

On Saturday the five-nation Contact Group (Britain, France, Germany, Russia, United States), who drew up the latest peace plan, recommended increased UN sanctions against the Serbs if they continued their rejection.

On Sunday Slobodan Milosevic, president of Serbia, said he was in favour of accepting the plan.

UN Envoy Mazowiecki Defends UNPROFOR

AU0308064794 Zagreb VJESNIK in Serbo-Croatian 27 Jul 94 p 9

[Interview with Tadeusz Mazowiecki, special envoy of the UN Commission for Human Rights, by Gordana Grgas in Zagreb; date not given: "UNPROFOR Did What They Could"]

[Text] Following his visit to Bosnia-Herzegovina, before leaving for Macedonia [The Former Yugoslav Republic of Macedonia, FYROM]—two scheduled stops in his official mission of gathering information about human rights violations in the two countries—Tadeusz Mazowiecki, the special envoy of the UN Commission for Human Rights, spent a couple of days in Zagreb. Tired and fatigued from the exhausting week in Bosnia, Mr. Mazowiecki nevertheless agreed to give a short interview for VJESNIK and we managed to go over the most important questions regarding the topical situation in Bosnia-Herzegovina and Croatia. Unfortunately, we did not discuss the goals of his visit to Macedonia, so our only information about that part of his mission is that they will focus on the freedom of opinion, level of economic and social rights of citizens, freedom of thought and religion, ways of conducting the census, and the status of other nationalities in Macedonia.

Many say that Tadeusz Mazowiecki—former prime minister of Poland (former journalist who graduated from law school), who has been a special UN envoy for former Yugoslavia for two years already—is one of the most objective witnesses of the drama and crimes that have occurred. He was a special envoy of several missions so far, and his reports attracted attention whether they dealt with the human rights issue in Croatia, events in Bosnia-Herzegovina, or the situation in the FRY, where the commission also has "its people" but not a UN Office for Human Rights as in Zagreb. His reports brought Belgrade under a storm of criticism, and a mountain of words has recently hit the special envoy as a result of his evaluation of the human rights situation in the FRY.

[Grgas] After your visit to Bosnia-Herzegovina, what can you tell us about the Bosnia-Herzegovina Federation, about the way it now functions, and about the situation in Mostar in particular?

[Mazowiecki] In the past four months, since the formation of the federation, there have been many changes in that part of Bosnia-Herzegovina. Armies have been separated, they do not shoot at each other, people in Mostar and Sarajevo can walk the streets without fear. But of course that is not enough. There have been some talks on the local level, which is a very important process in creating joint institutions like, for example, the police. Croat and Bosniak police now control the checkpoints together, but that is not enough either. The joint police should treat both nations equally. And talks to that end are already under way. However, the situation is by far the worst in areas where members of one nation are surrounded by another, whether Muslims or Croats.

With regard to Mostar, where the European Union is in charge of the administration, we must say the following: the Croats and the Muslims must cooperate. The situation is difficult for the Muslims in Croat areas and, conversely, there are very few Croats in areas with Muslim majority. The situation is gradually changing, but it is still hard. There have been some talks with regard to that as well. I believe Mr. Koschnick will try to organize more talks.

[Grgas] Are there many examples of human rights violations in Mostar, as we hear from some Western media which mostly accuse the Croats, i.e. the Croatian Defense Council?

[Mazowiecki] I talked to both sides about that issue as well. I think that this first of all refers to the times of serious conflicts, particularly when the eastern part of Mostar was so barbarously destroyed. On the other hand, in Mostar, both sides encounter the problem regarding the return of refugees.

[Grgas] There still is no organized return of refugees. Can you comment on that?

[Mazowiecki] No, they are still not going back and they will not be for a while. I am talking about their going back for good. Only people who have absolutely no guarantees are going back, of their own initiative. But we must organize their return, for it must not be the cause of further conflicts.

Furthermore, the problem also lies in the fact that there are a large number of Muslim refugees from Serb-held areas like Banja Luka, and there are also Croat refugees.... Until we enable them to return to Serb territory, we cannot solve the problem of refugees.

I think that UNPROFOR [United Nations Protection Forces] and the UNHCR must do their best to connect

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people and create contacts between opposing sides in order to pave the way for mutual recognition of the right to return home. Moreover, it is important that people who are in power on the ground show initiative to realize those contacts.

[Grgas] What can you tell us about the topical plan of the contact group? You once said that the Vance-Owen plan just hastened ethnic cleansing.

[Mazowiecki] This is not an ideal plan. To a certain extent, the plan recognizes the events on the ground. But just to a very limited extent. I think the plan is a chance for peace and for preserving the multicultural life of Bosnia.

[Grgas] Earlier on, you criticized the slow-moving mechanisms and inefficiency of the United Nations. What do you think now and how do you see the current UNPROFOR mandate and the Croat demands on the United Nations?

[Mazowiecki] Regarding the situation in Bosnia-Herzegovina, UNPROFOR plays a very positive role. In Croatia, the UNPROFOR mandate has definitely hindered the process of returning refugees to conquered areas of Krajina. Neither the mandate nor the UNPROFOR forces could solve the problem.

Generally speaking, the contact group will try to solve the situation in Bosnia-Herzegovina and in Croatia through political means. But we cannot keep blaming UNPROFOR for everything that has been happening, for they did what they could.

[Grgas] Will there be major changes with regard to UNPROFOR's mandate in September, when the extension of the mandate will be discussed at the United Nations? In your opinion, what should be changed?

[Mazowiecki] It all depends on further developments and it is difficult to make any concrete predictions at this point.

Nothing can be solved without a political solution—only a political solution can enable the refugees to go back.

[Grgas] We know that your mission is not in Croatia officially and that you cannot say much about it. Still, before going to Bosnia-Herzegovina, you held some talks in Croatia as well. What have you learned, especially with regard to controversial evictions?

[Mazowiecki] My representatives stationed in Croatia inform me about what is going on here. Naturally, I spoke to some people myself, even with representatives of the authorities. I told them I would send them my opinion in writing. I also spoke with the representatives of the Serbian Democratic Forum and Croatian Helsinki Watch. We also discussed evictions. It is a very difficult problem. I thought, on the basis of some talks I previously had in Croatia, that there would be no more evictions....

[Grgas] You did much to help the establishment of the International War Crimes Tribunal in The Hague. What is the use of the court if the accused are not brought before it?

[Mazowiecki] To my knowledge, the court should begin investigating any time now and collect information on the ground regarding war crimes that were committed. And about the accused being brought before the court: they cannot be tried in absentia, because the statute of the court does not allow it.

[Grgas] But that was exactly the main issue during the establishment of the court, whether the criminals would be tried regardless of whether they are present or not. Madeleine Albright, the U.S. ambassador to the United Nations, for example, emphasized that on several occasions, for many criminals will not be extradited.

[Mazowiecki] That is the opinion of Mrs. Albright, but.... [last sentence as published]

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Spokesman: Greek Claims on EU Aid Veto 'Untrue'

AU0208201194 Tirana TVSH Television Network in Albanian 1800 GMT 2 Aug 94

["Statement" by unidentified Foreign Ministry spokesman in Tirana on 2 August—recorded]

[Text] Regarding a statement by Greek Deputy Finance Minister Dhimitrios Yeorgakopoulos on the latest meeting of the ECOFIN [European Union Committee of Finance Ministers] Council and the reestablishment of the Greek veto against 35 million ECU's that the European Union [EU] had granted to Albania, we clarify that the Greek claim that, at that meeting, the Greek veto and stance found understanding is untrue.

Communication sources from Brussels and EU member-countries confirm that the contrary is true. As Greece's attempts to impose its own claim ran precisely into a categorical objection from either the presidency or from other EU members, Greece established the veto again.

Misinforming the public serves Greece to mask the destabilizing policy of blockades and embargo it is applying toward its neighbors.

Five Ethnic Greeks To Stand Trial for Treason

AU0208164194 Tirana Radio Tirana Network in Albanian 1330 GMT 2 Aug 94

[Text] A spokesman for the Tirana District Court reports that the trial of defendants Theodhori Bezhani, Vangjel Papakristo, Panajot Marta, Kosta Qirjako, and Irakli Sermo will start at the Tirana District Court at 0900 [0700 GMT] on 15 August. They are charged with treason against the homeland in a form of activity that aims at changing the borders of the Republic of Albania and with being in the service of foreign secret services, a crime anticipated by the Penal Code.

Theodhori Bezhani, Irakli Sermo, and Kosta Qirjako are charged with possessing arms illegally. A court presided over by Judge Martin Deda, deputy chairman of the Tirana District Court, will investigate the case.

Commentary Sees Perry Visit in Terms of Kosovo

AU0308094394 Tirana E DJATHTA in Albanian 29 Jul 94 p 3

[Commentary by Abdi Baleta: "National Interests Stand Above Every 'Superlative Assessment' Whatsoever"]

[Text] The recent visits by Messrs. Douglas Hogg, British state secretary of foreign affairs, and William Perry, U.S. defense secretary, are a significant indication of the changes that have occurred in Albania's international position and politics. Fortunately, gone is the time when one could talk only about "the British-U.S. threat;" today a new era has begun when we speak with pleasure of the "friendship between the United States, Great Britain, and Albania." However, there are certain laws and rules of the game that cannot be changed as one pleases. Edward Gray once said: "The sacred law of nations and diplomacy is: Each for his own self. This is the sacred egotism. That is the sole law of politics and diplomacy." As a consequence, it comes as no surprise that, after addressing nice and encouraging words to us, when it comes to resolving complicated problems, further sacrifices are still required from us.

Given the major and real political problems preoccupying us particularly at the moment, the agreement on British-Albanian archaeological cooperation, signed with grand protocol in Butrint in the presence of the Albanian prime minister and the British minister, contained something of the Albanians' naivete and the British political humor.

The U.S. defense secretary's visit passed in a more tangible diplomatic and political context. Its outcome will be more clearly seen in the future, but even now it is not difficult to discern that these two visits appear to have been planned to complement each other. The guests came to deliver distinctly readable political messages and did not seem to take any great pains to avoid causing shocks to the hosts, particularly regarding the Kosovar problem.

It once again became clear that "military diplomacy" is the most communicative and successful feature in Albanian-U.S. relations. It seems that Albania, because of the current situation in the Balkans, inspires greater interest in the field of interstate relations, whereas proper political and diplomatic problems do not yet attract sufficient U.S. diplomatic attention to Albania. The Pentagon feels more at home in Albania than the State Department, although James Baker was the first U.S. leader three years ago to receive such a welcome in Tirana as can rarely be experienced by politicians in their careers.

Mr. Perry's visit aroused extraordinary enthusiasm among the ruling Albanian politicians. Now they believe and publicly state that Albania has become "the leader of the post-communist countries." RILINDJA DEMOKRATIKE [RD], through political sensationalism and a glut of superlatives, conveys this enthusiasm to the public. Here is what it writes: "The U.S. Defense Secretary's assessments of developments in Albania were superlative... The fact that the representative of a country symbolic of freedom highly appreciates the democratic developments in Albania is of the utmost significance. When the defense minister of the most powerful country in the world expresses his full support for Albania in every field, Albanians are correct to look with full confidence toward their future." Only a bad Albanian could not feel joy and pride when our country's government newspaper makes known to the public such honors. Even if the RD were not so skillful and exalted, the Albanians themselves could have been able to evaluate all the good of Mr. Perry's visit.

However, it would be better to take care that the "policy of superlatives" should not too much resemble our

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former policy of "invincible friendships" with our communist allies. It would have been much better if the executive did not go out of its way to present its policy to the public as assessments of the guests in our country. Mr. Perry's words on Fan Noli and his "first democratic government," if said as a response to some Albanian leader's suggestions, have tarnished the seriousness of his visit.

Mr. Perry's speech at the Military Academy make a great and encouraging impression: "The United States strongly supports Albania's independence." However, in the current stage of our endeavors to achieve the Albanian nation's rights, we have the right to and must be sensitive above all to pronouncements or nonpronouncements on our national question, and particularly the Kosovar problem.

It undoubtedly gives us pleasure when Mr. Perry describes as "generously hospitable and an excellent contribution" Albania's offer to allow its military air and naval installations to be used by the United States and NATO for the preservation of peaceful humanitarian operations. However it, does not mean that we should have no reservations or comments on the way our current executive makes decisions on this. It does not mean that we should not ask what the practical and concrete benefits of such offers are. We do not think that mere assistance and supplies of a supportive nature for the Albanian Army's modernization are enough, if nothing at all is anticipated in the field of modern armaments.

Among our guest's "superlative assessments," are some that, without being further clarified, could give rise to certain concerns. Mr. Perry declared to the Albanian troops the following: "In their heroic struggle for freedom, the Albanian people have demonstrated to the world that they have the necessary will and patience to win. When it comes to easing the conflict in the Balkans, even when the decision is difficult and the price steep, Albania has demonstrated high international standards of leadership and courage. By making sacrifices for the cause of peace, Albania is becoming an excellent example to the whole world."

Notwithstanding the great pleasure that these assessments give us, they at the same time make us a little ill at ease: What is this high price Albania is expected to pay and what further sacrifices has it to make in order to become an example to the world for the cause of peace and easing the conflict in the Balkans?

Albania has never jeopardized peace and never caused its neighbors to create any grave situations. There cannot, therefore, be any political, moral, or practical reasons why Albanians should make further sacrifices to lower tensions and sort out intricacies created by others. If by Albanian sacrifices it is meant that Albania should give up its support for our brothers in the occupied territories and their legitimate rights, then no international sympathy or friendly "superlative assessment" whatsoever can be morally accepted to the point of forgetting a sacred mission and an international duty. Albania's leaders should not be generous for the sake of any superlative assessments when it comes to sacrificing our nation's fundamental rights and more so if they imply or request that the Albanians open the way for the recognition of the reputed formula: "Kosova is Serbia proper," or for the internationalization of a nonexistent problem such as the so-called "Greek minority's maltreatment in Albania." When it comes to major issues of our nation and state, Albanian policy and diplomacy should not evade realistic assessments and analyses for the sake of euphoria created by partially achieved successes, or because of certain positive assessments made of this policy from time to time on the international scene. Enchantment by sensational assessments of friendships in the past too often led us to frustration. Our nation and our state, more than any other nation or state in the Balkans or Europe, are entitled to raise their voice for the recognition and realization of their national rights. What the Albanians want is their legitimate rights and justice. They are therefore justified in rejecting any plans whatsoever that ask them to make further sacrifices for the sake of implementing ad hoc diplomatic schemes in the Balkans.

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President Affirms Trust in Army's Competence

AU0308073794 Sofia BULGARSKA ARMIYA in Bulgarian 27 Jul 94 pp 1, 3

[Interview with President Zhelyu Zhelev by Colonel Vladi Vladkov; place and date not given: "I Hope for a Positive Effect From Your New Law"]

[Excerpt] [Vladkov] Mr. President, national security includes many important components, the principal one of which is the Armed Forces of the Republic of Bulgaria. Do you consider that at the moment they are capable of fulfilling their role of defending Bulgaria's sovereignty and territorial integrity?

[Zhelev] Irrespective of the difficulties and deprivations, today the majority of the command staff and rank-and-file personnel of our Armed Forces are capable of carrying out their roles. As examples of this, albeit on a small scale, I may cite the reactions of the Air Force to the incident involving the light sports and touring aircraft that found themselves in our airspace, or the almost daily actions by the border guards in detaining persons who cross the border illegally. Similar examples can also be found in the activities of the ground forces, the Navy, and the other branches of the Armed Forces.

[Vladkov] The title of supreme commander in chief sounds very imposing to the average Bulgarian. Is so much military power really concentrated in your hands?

[Zhelev] As supreme commander in chief, I fulfill the functions given to me under the Constitution. These functions differ from those of a commanding officer in the Army not only in their scale, but also in the way they are implemented. The wording by which they have been formulated in the Constitution until now in the most general terms has been the subject of much political speculation. I hope that the Defense and Armed Forces Act, which has just started its second reading in parliament, will specify these functions.

[Vladkov] Is it possible for a sick society to develop a strong and healthy Army?

[Zhelev] It depends on what you mean by a sick society, because under both fascism and communism society was sick, but we have to admit that the Armies of the USSR and Germany were far from weak. The majority of states with military dictatorships also have strong armies.

It is another question whether the crisis that Bulgaria is now experiencing may not also affect the army. This possibility obliges me and all those occupying lower positions in the military hierarchy to make great efforts to maintain the Armed Forces in a condition above the critical threshold of their existence.

However, other institutions also possess powers and have real possibilities of guaranteeing the existence of the Armed Forces. Unfortunately, recently these institutions have been more concerned with themselves and many things of lesser importance, instead of resolving the problems, which are not few in number and very serious. You yourself are well aware who should show concern for the Army. At the same time I would like to stress that one never gets to the right answer or the correct decision by yielding to populism and emotional feelings. This is especially true of the Army, which is a specific social organism. You servicemen express your attitudes and opinions on the basis of the Constitution, the laws, and your statutes. I am hoping for a positive effect from your new law, as well as from the expected improvements in the country's economic situation. In any case, whatever lies within our powers and the state's possibilities, we will do it.

[Vladkov] Is there any difference in the view that you held of the Army when you wrote your book "Fascism" and now, when you find yourself supreme commander in chief?

[Zhelev] Of course there is. At that time we were working under certain conditions, and tended to theorize about the future. We drafted models and had views, but in the course of time they evolved or were refined. Subsequently, following 10 November 1989, real life confirmed most of them, but rejected some. [passage omitted]

Aleksandrov Denies Conflict With Gen. Petrov

AU0208135594 Sofia KONTINENT in Bulgarian 29 Jul 94 p 8

[Interview with Bulgarian Defense Minister Valentin Aleksandrov by Emil Rakhnev; place and date not given: "Defense Act Will Prevent Playing of Political Games With Bulgarian Army"]

[Excerpts] [Rakhnev] Minister Aleksandrov, are you in direct conflict with General Lyuben Petrov [chief of the General Staff] regarding your powers of command relating to national defense? According to certain National Assembly deputies, the new Defense and Armed Forces Bill creates ground for conflict between you and Gen. Petrov, which in turn poses a threat to national security.

[Aleksandrov] I would first ask whether there were any conflicts between the defense minister and the chief of the General Staff prior to 10 November 1989 [date of Zhivkov's removal]. No such conflicts were possible. The minister was senior in rank, but he was addressed not as "Comrade Army General," but as "Comrade Minister." In other words, his post, not his rank was paramount.

Minister Dzhurov, although a soldier, was a member of the Politburo, that is, a purely political figure....

What is different today that prompts people to speak of a conflict between the defense minister and the chief of the General Staff? The Law on General Military Service is still in force, and if any soldier enters into conflict with

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the defense minister, he simply violates military discipline and the chain of command [subordinatsiya], including the one-man command principle about which there is so much speculation.

The chief of the General Staff may hold his own views and put them forward at military council meetings, but when a political force tries to revive separatism among servicemen....

The question of the powers of the defense minister and the chief of the General Staff is a matter of principle and has no connection with the personal relations between me and Army Gen. Lyuben Petrov. It is represented as an apparent conflict, moreover a direct one, between a civilian politician and a military commander, but in fact it is a conflict between the intermediaries—the civil servants and political forces. The Constitution clearly states who manages the Armed Forces, namely the Council of Ministers, while the president is the commander in chief. If the Law on General Military Service gave primacy to the political leadership and civilian control of the Army, of which I am a fervent supporter, I do not see any grounds for conflict between the defense minister and the chief of the General Staff. Conflict will be provoked by passages in the law that create conditions for ambiguity, for example, if the passage remains that states that the minister commands the Army through the chief of the General Staff.

The Defense and Armed Forces Act should clearly state who is responsible for the Army, specify the chain of command, and not rely on good relations between the minister and the chief of the General Staff. One cannot rely merely on goodwill and friendship. People and circumstances change.

The Defense and Armed Forces Act must not turn the defense minister into a person who serves the General Staff, with no real rights but with immense obligations. Such a model can exist only in certain monarchist or Latin American states. Something of the kind exists in Turkey, but you are well aware why the chief of the General Staff holds the fourth position in state protocol. Again, in Turkey the chief of the General Staff is nominated by the prime minister (without the defense minister having a say) and he is confirmed in his post by the president. [passage omitted]

[Rakhnev] Mr. Minister, do you think that, if the bill is passed in this form, the Bulgarian Army General Staff will in fact be left without control?

[Aleksandrov] A National Assembly deputy recently asked me what compelled me, after becoming defense minister, to demand a revision of the passages concerning the command of the Bulgarian Army and civilian control of the Army.

I will give you the same answer that I gave to the deputy in question, namely that practice, accumulated political experience, and the tension created among the troops following the adoption of the budget, have shown that I have permitted a measure of liberalism that may cost the country and my successor a high price. During the past few months we have seen petitions started, demands, "letters written in blood," and other attempts to pressure parliament in connection with the military budget that it passed. All these are actions that cannot be countered by the defense bill in its present form and may lead to complications in future years, when the economic situation will be no better. Unfortunately, neither I nor the General Staff were able to bring these processes under control.

In saying this, I do not deny the servicemen's right to have their own professional organizations like the Rakovski Officers Legion. Moreover, I myself proposed that a clause stating this right should be inserted in the Defense and Armed Forces bill. [passage omitted]

This is why the Defense and Armed Forces Bill that was submitted to the National Assembly on 5 May 1993 cannot be regarded as a completed act. It is clear that the passages in the bill concerning civilian control of the Army must be improved. It is not a question of control of the General Staff, as you phrased the question, but of controlling the Army as a whole. [passage omitted]

[Rakhnev] Do you not think that the fomenting of a possible conflict between the minister and the chief of the General Staff will unnecessarily politicize the bill and may cause it to be withdrawn from its parliamentary reading for an undetermined period?

[Aleksandrov] There is a real danger of this. If the current National Assembly fails to pass the Defense and Armed Forces Bill, we cannot wait for at least another year for the next National Assembly to do it.

I fear that the debate on the defense bill is already turning into election campaign propaganda, aimed at capturing the votes of a few tens of thousands of servicemen and their families. Following the unnecessary politicization of the issue of the language used in the Army, which is defined by the Constitution, other reasons can be dug up for playing games with the Army and national feelings.

Thus, the tension within the Army may even increase, especially in view of the fact that all theses manifestations of "deep concern" for national security, including the demand for a moratorium on redundancies and retirements of officers, do not answer the main question: Can the Army exist in this form with a budget that is only one-third of the amount needed?

Did the political forces that are now demanding this moratorium cut their own party payrolls to the minimum because of a shortage of funds?

The Army's coffers will remain empty whether we have the old or the new defense act. In this situation, the pensioning off of officers is inevitable. If this is not done now, the political party that wins the elections will have

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to do it. By an irony of fate, this may turn out to be the very party that is now insisting on a moratorium [Bulgarian Socialist Party].

This means that those who are now using populist slogans to win dividends from the Army tomorrow will be compelled to send their grateful military electorate into the reserve, and under much more difficult conditions, of course.

The retirements that are arousing so much speculation at the moment are unavoidable, and this must be stated loudly and clearly. The issue is how to carry them out in the fairest manner possible, following objective criteria and ensuring the necessary continuity and prospects for the Army.

The objections that the Army is under strength are not convincing, because the shortage mainly relates to young officers in the units. The fact that the big headquarters are fully staffed or even over strength does not help the situation in the units. Soldiers who during the day are the victims or perpetrators of accidents or extraordinary incidents, are left without platoon and company commanders. Regrettably, the General Staff has offered no solution to this problem, but merely cites the numbers of officers it needs.

The mass media comment on the retirement of 779 officers with the rank of colonel, but no one comments on the reasons why almost 5,000 officers of lower rank have left the Army. This is the reason why 58.9 percent of our officers now hold the rank of major or above (in Germany, the figure is 32 percent), while only 41 percent are captains or below. In Germany, the figure is 69 percent. The commentaries on the pensioning off of officers at the end of their successful careers are aimed at distracting attention from the real reasons why young officers are leaving service. What is the defense minister to do? He risks coming into confrontation with some of the officers, while others, under the guise of defending the entire officer corps, are depriving the Army of its future by protracting the natural personnel process.

The failure to pass the Defense and Armed Forces Bill will provide new arguments (in addition to lack of money) for those who are unwilling to assume the risks of the military reform. One does not have to be a great military expert to see that the current structure, deployment, and quantitative and qualitative characteristics of the Bulgarian Army do not conform to the new requirements. The law is not the only condition for spurring the reform, but to delay its adoption is tantamount to blocking the reform. If we lack the political will to adopt the bill, we will indeed soon become witnesses of endless attempts to outwit and play games with the Army.

[Rakhnev] Do you think it is better to delay adopting the bill before the controversial passages are redrafted, or is it better to pass the bill without delay?

[Aleksandrov] I believe that the bill must not be delayed, but the controversial passages have to be redrafted, and I am convinced that this will be done in the debating hall of parliament. However, while the bill is being debated, life in the Army still goes on.... [passage omitted]

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Schmognerova on Former Minister's Criticism

AU0208151994 Bratislava NARODNA OBRODA in Slovak 29 Jul 94 p 1

[Interview with Deputy Prime Minister Brigita Schmognerova by Juraj Alner; place and date not given: "Opposition Policy Is Formulated at Home"]

[Excerpts] Bratislava—The statement made by Deputy Prime Minister Brigita Schmognerova on 24 July that "he has cast doubt on some of the results we have achieved" sparked off the polemics about the visit to the International Monetary Fund's headquarters by former Deputy Prime Minister and Finance Minister Julius Toth. [passage omitted]

[Alner] Opinions are being expressed that, given the current situation in our foreign currency reserves, standby credit is really no longer necessary. Even Czech Prime Minister Klaus has not made use of this.

[Schmognerova] It really is embarrassing that the opposition is criticizing and casting doubt on our obtaining standby credit. This is an expression of confidence in Slovakia's economic policy. After all, it initiated the negotiations on obtaining it. Opposition policy should be formulated at home; policy supporting Slovakia's interests should be pursued abroad. I consider this to be a criterion of elementary political ethics.

[Alner] However, let us return to the issue of the specific economic significance of obtaining standby credit.

[Schmognerova] The second part of the STF (the loan to support transformation) has also been released on the basis of the standby credit, and we have also obtained a loan from the European Union and the G-24. The Slovak Republic will be able, on the basis of this, to draw on more than $500 million to support its foreign currency reserves—and under very advantageous conditions. Obtaining these sources of credit means that, along with the foreign currency resources from the sale of National Bank bonds on the Japanese financial market, we will be able to augment our foreign currency reserves so that they exceed a level amounting to 2.4 times our monthly imports. This is lower than the level of the foreign currency reserves of the European states undergoing transformation. Therefore, the credit is necessary. Increasing our foreign currency reserves will maintain and extend internal convertibility without the additional restrictions well known from the beginning of 1993 and without the threat of devaluation. They will also facilitate payment of the one-third of the foreign currency loans Slovakia took over following the breakup of the CSFR. [passage omitted]

KSU's Kunc SNS Election Leader in East

AU0308120994 Bratislava PRAVDA in Slovak 30 Jul 94 p 2

[TA SR report: "We Are Being Governed by Pharisees"]

[Text] "We see our platform's political future in association with the Slovak National Party [SNS], whose program fully corresponds to the fundamental principles of Christian democracy," said B. Kunc, a representative of the National-Christian platform within the Christian Social Union, who will be the electoral leader on the SNS slate in East Slovakia. SNS Chairman J. Slota commented that he does not consider Christian Democratic Movement [KDH] officials, who have little in common with the Slovak nation, to be Christians. He described the representatives of the entire governing coalition as Pharisees, who pretend that they are working for the good of their country, while, in fact, they are defending the interests of foreigners. SNS Honorary Chairman M. Andel showed reporters a note from the Finance Ministry saying that the nationalists, instead of the 8.0 million korunas [Sk] they asked for, will, on the basis of a decision made by the Coalition Council, be allotted only Sk1.5 million in the form of returnable financial assistance. At the same time, other parties—for example, the KDH and the Party of the Democratic Left—have been allotted Sk4.0 million and the Movement for a Democratic Slovakia Sk5.0 million. He added that the Civic Democratic Union-Public Against Violence movement borrowed Sk128 million from the government two years ago to finance its election campaign, and this money has still not been repaid. Meantime, its former representatives (he called them swindlers, who have defrauded the state) are campaigning in this year's parliamentary elections on behalf of other political entities—the Democratic Party and the KDH/Permanent Conference of the Civic Institute.

ΩRight's Inability To Assert Itself Explained

94P21028A

[Editorial Report] A commentary by Ivo Grycz in the centrist SLOBODNY PIATOK of 15-21 July analyzed the continuing stagnation of the Slovak right wing, led by the Christian Democratic Movement (KDH), and held the KDH largely responsible for the right's current inability to make an impact on the country's political life. The right wing managed to get only 18 out of the 150 parliamentary seats in the June 1992 elections and has since then remained on the political sidelines. The commentary also argued that the right's success in the coming fall elections was, nevertheless, "vital for Slovakia's future political development."

According to Grycz, the Catholic-oriented KDH committed two errors in the 1992 election campaign that had serious repercussions. First, it cast itself in the role of "the sole representative" of the Slovak right and denounced "liberal values" as the main factor that had caused the fall of Public Against Violence (VPN), a largely right-of-center movement that emerged in 1989 as the leading Slovak political force after the overthrow of communism, but subsequently disintegrated without leaving behind a viable successor. Moreover, Grycz added, while the KDH has, on the whole, always been a Catholic party, its leaders have kept pretending that the KDH remains the only effective and authentically conservative organization in Slovakia and "cling to the

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illusion that the right is their exclusive domain." These mistakes, continued Grycz, explain why the KDH has not been able to become "a rallying point" for the formation of a wide and influential Slovak right-wing movement. The KDH's views have not only alienated "the nonconfessional right" but also antagonized the VPN centrists who originally sympathized with the KDH as a possible opposition to "a left that promotes the dominance of the state."

Given this situation, Grycz claimed, it is important now that the right get back on track, consolidate, and attempt to do well in the coming fall elections. In his view, there is a real possibility that "the major state-dominance-promoting party," Meciar's Movement for a Democratic Slovakia (HZDS), "together with the Left Bloc and the Luptak party, could win a distinct majority in the elections." A victory of the allied left camp, he argued further, can be counterbalanced or prevented only by a center-right coalition. But this presupposes that the KDH "must not repeat its mistakes." "Radicals in its ranks," who still have not grasped that it is "not a rightist program but they themselves who are obstacles" in the way of a significant electoral success, "must be silenced," so that these radicals do not unnecessarily complicate the process of " creating a secular right-wing party [that could become] a viable political entity."

Grycz pointed out that recent public opinion polls indicate that a secular right-wing party would be supported by enough voters to fulfill the minimum 5-percent requirement that would get it into the parliament. The same polls also suggest, said Grycz, that "a party like that would, in coalition with the liberal Democratic Union (DU) and the rightist Party of Entrepreneurs and Tradesmen (SPZ), gain a greater number of votes than the KDH itself." While he found this polling information significant, Grycz also urged caution. It is true, he concluded, that "liberal support for a right-wing party may help a lot, but it may also harm the enterprise should the participants in the action turn out to be overzealous." "This time," he added, "voters expect, and quite rightly so, that politicians will not disappoint them."

FBI Asked for Help in Combating Drug Smuggling

LD0208182494 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 2 Aug 94

[Text] Slovakia has turned to the FBI to seek help in the fight against drug smugglers. This was announced by Slovak Minister of Interior Ladislav Pittner to REUTERS correspondents. He also said that the main drug-trafficking route passes through Slovakia. The drugs come to us from the Balkans and are directed to West Europe and the United States. Slovakia is used as a throughway for a great number of weapons and plutonium from countries of the former Soviet Union.

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IMF, World Bank Proposals Cannot Be Fulfilled

LD0208115494 Budapest Kossuth Radio Network in Hungarian 1000 GMT 2 Aug 94

[Text] The government's plans for a supplementary budget raise the prospect of tough, stringent measures, against which the opposition parties and the employers' organizations are already protesting. However, the international financial organizations consider stringency to be justified, indeed unless drastic measures are taken they do not believe that cooperation with Hungary can continue. All this was announced by Finance Minister Laszlo Bekesi, at a press briefing on the talks conducted with representatives of the IMF and the World Bank. Kata Peli Nagy reports:

[Peli Nagy] The deficit in the external balance of payments is no longer tenable. Hungary has lived well beyond its means. This is how the IMF and the World Bank judged the state of the Hungarian economy.

Following the two international organizations' talks which lasted one week, the Ministry of Finance fully agrees with the conclusions, but not with the proposed measures which are very tough.

According to the two organizations, the deficit in the current balance of payments cannot be more than $2 billion this year—the expected figure is $3.5 billion. The public finances deficit in 1995 cannot be more than 3 percent of the GDP. At present this is more than 8 percent. Earlier, the IMF and the World Bank would have been satisfied with 5 percent. A growth in savings of 250-300 billion forints will have to be achieved by 1995.

According to the finance minister, some of the recommendations cannot be fulfilled. However, the international organizations do not see any chance for further successful cooperation unless there are corrective measures. It is a fact—in Laszlo Bekesi's opinion—that the total public finances deficit of 430 billion forints and the balance of payments deficit of $3.5 billion are untenable. The budget deficit must be reduced by at least 60 billion forints. A further growth of the social insurance deficit must be prevented.

What does this mean in practice? First, these measures affect the pension increases planned for October—it is not yet certain that it will result in their postponement. The collection of social insurance debts will be accelerated and tightened. Only wage increases which are at least 4 to 5 percent less than inflation can be allowed. Wages at budget-financed organizations can be increased only if this is covered by staff cuts. The latter measures must be coordinated with the employers and the employees, within the framework of the social agreement [which is being drawn up between government, employees', and employers' organizations]. That is where the extent to which corrective measures can be undertaken will emerge.

In any case, following the government session on Thursday, where the package concerning the state of this year's and next year's public finances will be discussed, it will be necessary to begin consultations immediately. If the government does not take the most necessary measures, the spiralling public finances' debt could lead to a situation of constraint next year.

Prime Minister Horn To Take 2-Week Vacation

AU0208160494 Budapest NEPSZABADSAG in Hungarian 2 Aug 94 p 4

[Text] According to NEPSZABADSAG's information, Prime Minister Gyula Horn is taking a two-week vacation beginning 8 August. Horn will be back to participate in the 20 August celebrations. The government will continue to hold its regular session during his absence and Finance Minister Laszlo Bekesi will stand in for the prime minister.

New Foreign Ministry Spokesman Appointed

AU0208161194 Budapest MAGYAR HIRLAP in Hungarian 2 Aug 94 p 3

[Text] Gabor Szent-Ivanyi (not related to State Secretary Istvan Szent-Ivanyi) will be the Foreign Ministry's spokesman, MAGYAR HIRLAP learned from reliable foreign affairs sources. The former diplomat is to begin work today, but he will only be introduced at the news conference following the ambassadorial conference on 3 August.

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Olechowski Disappointed With Filatov's Speech

LD0208135794 Warsaw Radio Warszawa Network in Polish 1300 GMT 2 Aug 94

[Text] In the view of the head of Polish diplomacy, Andrzej Olechowski, the ceremonies marking the 50th anniversary of the Warsaw Uprising are the most important event of the year for our foreign policy. The address by German President Roman Herzog, who asked Poles for forgiveness for the wrongs wrought by the Germans, was termed by Minister Olechowski a great gesture of reconciliation.

Andrzej Olechowski said that he is disappointed with the address by Sergey Filatov, the special delegate of the president of Russia to the Warsaw ceremonies. Minister Olechowski thinks that the Russians still do not understand the Polish approach to the Warsaw Uprising and treat it as just one of the many battles of World War II.

Poles, Russians Initial Sea-Fishing Agreement

LD0208223194 Warsaw TV Polonia Network in Polish 1730 GMT 2 Aug 94

[Text] This year Polish fishermen will probably stop fishing in the waters of the Okhotsk Sea, which is something Russia has been demanding for a long time. Our fishermen will be able to fish only after paying appropriate charges in the Russian economic zone. Poland is going to pay with fishing ships built in our shipyards. The Russians will make it possible for our trawlers to get repairs in Okhotsk Sea ports, which until now they have not been allowing. An agreement about this was initialed today.

[Correspondent] In the economic zone of the Okhotsk Sea, we fish for pollock. For three years now, this has been highly profitable. We sell most of the nearly 200,000 tonnes caught there every year to West Europe. About 80 percent of our fleet works in East Asia, from which several tens of thousands of people—that includes fishermen from Dalmor, Gryf, and Odra as well as fish-processing plant employees—make a living.

Under international law, we may continue to fish there, but the Russians, maintaining that we are catching too much, closed their ports to us. They also threatened to seize Polish ships. We had to organize all trawler repairs, fish processing, and crew exchanges in the Korean port of Ulsan, which is three days away by sea.

Today the Polish side agreed to fish in the Okhotsk Sea only on payment of appropriate charges in Russia's economic zone. In two weeks' time, the charges and quotas are to be agreed upon in Moscow.

[Begin recording] [Boguslaw Liberadzki, transport and maritime economy minister] The talks were conducted in the spirit of getting good business for Poland.

[Unidentified Russian official, in Russian with superimposed Polish translation] The Russians are not going to get these payments in cash but in the form of deliveries of research, patrol, and fishing ships. There will also be many Polish-Russian joint ventures set up, fish processing, repair, and commercial ventures—for instance, in banking. [end recording]

[Correspondent] The Russians will open their ports to Polish ships, and we will be able to repair ships and exchange crews. The detailed conditions of the agreements are to be established in Moscow on 15 August. For the moment, no one in the Russian delegation wants to reveal the amount of charges for the fishing in their zone or the value of the ships with which we are to pay.

[Begin Liberadzki recording] At present, we are in a constant state of uncertainty. Furthermore, the thing about international waters is that, under international rules, once we decide that the solution in the Russian economic zone is unsatisfactory, we can always go back. [end recording]

[Correspondent] The Russians have signed similar agreements with the Koreans and the Japanese. They are still negotiating with the Chinese fleet.

Irrespective of the agreements initialed today, we are looking for new fishing grounds in the Pacific, along the coasts of Canada, Mexico, and South America. But changing a fishing ground is very expensive: It costs about 1.5 trillion zloty. It also needs a greater number of trawlers. Today's agreement provides an opportunity for a permanent solution to the three-year-old conflict over fishing in the international zone of the Okhotsk Sea.

Currently, we catch about 300,000 tonnes of fish a year, just over a third of what we did during our heyday, in the late 1970's. At that time, we also had five times as many ships.

Presidential Race, Possible Candidates Viewed

WS0208130094 Warsaw GAZETA WYBORCZA in Polish 2 Aug 94 pp 10-11

[Article by Andrzej Romanowski, a member of the TYGODNIK POWSZECHNY editorial board and a former member of the Democratic Union's National Council: "There Are Many Aspects of Unity"]

[Text] *Andrzej Romanowski is looking for the best candidate for the post of president of the Republic of Poland, and his solution is Jacek Kuron. There is nobody else who could possibly establish a wide, genuine social movement of a post-"Solidarity" nature and who would invoke the interests of society as a whole.*

The idea that the Freedom Union [UW] should achieve rapprochement with right-wing parties is not a new one. The notion dates back to Hanna Suchocka's government, which, according to popular beliefs of the time, "tried to reconcile water with fire." Contrary to views expressed by skeptics, of which I was one, the coalition cooperation

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between the Democratic Union [UD] and the Christian-National Union went quite smoothly, despite all of the snags about which everyone already knows.

After the defeat of the post-"Solidarity" camp in the parliamentary elections, there emerged additional and much stronger attempts to achieve reconciliation between the center and the right wing, which resulted, among other things, in the merger between UD and the Liberal-Democratic Congress. Two purely right-wing coalitions were also established: The Alliance for Poland and the Covenant of 11 November. Nowhere, however, at neither the national nor the local level, did there occur the establishment of a coalition that would encompass both UW and a large majority of right-wing parties.

As the presidential elections draw near, however, there is more and more talk about unavoidable cooperation between the center and right wings. This trend increased after the right wing's success in the local elections, and its best demonstration is an article written by [Conservative Party Chairman] Aleksander Hall ("In Unity—the Belweder," GAZETA WYBORCZA No. 161).

An Antisocialist Will Not Win

That was not the first time that Hall made an appeal for fundamental unity within the post-"Solidarity" camp. A lack of faith in principles is a trait of Hall's, for which he has been much respected. Still, opposition must be expressed here against both his article and the plans for building center-right-wing coalitions. These plans are based on murky assumptions, and they would produce equally murky results.

Let us first talk about assumptions. "I am included among those people," Hall writes, "who believe that the division between the post-Polish People's Republic [PRL] camp and the post-August [1980] camp makes sense." He continues: "Abandoning revenge, as well as the lack of consent to decommunization laws, cannot mean that the past is being forgotten or that lines separating the current different political divisions are being blurred." I could not agree more, except that the first statement is so general that it means everything or nothing, while the second statement leads to conclusions that do not correspond with reality: Nobody from the post-August camp is making appeals to forget about the past. The only topic of debate is on the issue of to what extent the past, including somebody's different life story, can have an impact on current political activity.

So we have simply the accusation of blurring the lines among political divisions with which to deal. The point remains, however, that nobody is completely free from that "sin." Hall himself, in making historical divisions clearer than necessary, is making current divisions on substantive issues very blurred indeed. I am saying this because, just think about this: What could UW and the Center Accord [PC] possibly have in common? After all, they have been traditional and bitter opponents that were not capable of coming to an agreement, even on the formation of Suchocka's government. What could liberal parties possibly have in common with a party such as the National Democracy Party, for instance? Jerzy Jedlicki is certainly correct when he says (GAZETA WYBORCZA No. 164) that "there is no way anybody or anything could possibly put a broken shell back together" and that "clouds are gathering over not just one part of the horizon."

Besides, let us be frank on this: What purpose could possibly be served by reviving historical divisions in a situation where there is no more communism in the country and there is no all-powerful protecting country abroad? Is this not simply an attempt to make reality too ideological or a willingness to again introduce divisions within society, often against its will, between "us" and "them" or into "the better ones" and "the worse ones?" Is this what the "Solidarity" ethos committed us to?

So you can see that Hall's line of reasoning raises both pragmatic and moral doubts. The pragmatic doubts concern the fact that the "post-PRL camp" has already been subjected to a "quarantine" that lasted four years (after which the camp scored a brilliant victory on 19 September). I am afraid that the only result of a further continuation of the "quarantine" and of further decommunization slogans will be that "they" will strengthen their position, while "our men" will find themselves in isolation and in a political ghetto. From a moral perspective, on the other hand, it is hard to explain to society why the boycott should encompass politicians faithful to their own parties but not those who decided to stick with "Solidarity" at the last moment. Is it possible that we could be approving of opportunistic approaches?

All that does not mean, however, that I am willing to deny the division of the Polish political scene into two camps that have their respective roots in fundamentally different historical experiences. Moreover, one must not forget about communism, the most criminal ideology in world history, while the Democratic Left Alliance [SLD] (as well as the Polish Peasant Party [PSL]) cannot be allowed to evade the need to purge that horrible legacy from their records.

Still, not much follows from that which applies to the current political activity. That is because these days the division between the "post-PRL Poland" and the "post-August Poland" seems to be losing significance due to another kind of division—one between "two societies" (about which Jacek Kuron wrote in his "Self-Examination"—GAZETA WYBORCZA No. 168).

Aside from that, the fundamental opposition expressed by people of Hall's orientation should pertain first of all to political relativism (of the Leszek Miller type) and moral nihilism (of the Jerzy Urban type), but it should not affect both governing parties as a whole (again, for both pragmatic and moral reasons). As long as the SLD-PSL coalition is regarded as a uniform bloc, it will

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remain just that. Is it possible that Hall could be reasoning along the line of the worse the situation, the better? He never did that, not even during the communist era.

The conservatives' leader is thinking about establishing a strong center-right-wing coalition that would be capable of resisting the left wing's offensive. His plan is clear and rational, just like similar ideas put forward by UD members a year ago. The question remains, however: Is the plan efficient?

True, the right wing scored success in the self-governmental elections. Does that mean one could expect a fundamental shift of voter preferences when it comes to the presidential election? That seems unlikely. A majority of society has been displaying left-wing sentiments. It is yearning for the PRL's social equality, and it will not vote for someone who is clearly antisocialist. So Hall suggests that the post-August camp gain the support of the Independent Self-Governing Trade Union "Solidarity." The question remains, however: Will "Solidarity" be willing to lend its support to a candidate for the coalition whose leaders have spoken may times in the past in favor of reducing the powers of trade unions?

Naturally, the church could support a center-right-wing candidate. Will it be necessary, however, to once again push the bishops and priests to direct involvement in immediate political activity? After all, the church has tended to not involve itself in such activity since 1991. Will such support manage to guarantee electoral success, given that society is becoming increasingly anticlerical?

If Not With Walesa, Then With Whom?

Success by a candidate for UW and both right-wing coalitions would be much more likely if Lech Walesa were to become the joint candidate. Hall, however, rejects the idea, even though he has some words of praise for Walesa ("In recent times, he has displayed political instinct and determination.... He takes the initiative when others are silent.")

The conservatives' leader is not persistent in his views. After all, Walesa is hoping that, as Hall correctly noted, "he will come to lead a Catholic and anticommunist Poland and, by doing so, will fill the political void." So that means Walesa will be trying to position himself in the center of the same part of society the center right wing has been trying to attract. The right wing's rejection of the incumbent president's candidacy is bound to spark very strong competition among the electorate from the very beginning. The competition will not be about programs as much as about slogans. Also, the competition will be among candidates between whom there will not be much difference. Have we already been through something like this? Of course, this is exactly the way the "war at the top" mechanism is routinely set in motion; the postcommunists could use such a war to their own advantage now more than at any other time.

Hall is quite correct, of course, in his unwillingness to vote for Walesa. He has been assessing the situation realistically. Especially over the recent time period, the Belweder type of politics hardly seems acceptable, and not just to UW but also to the moderate right wing. Recent conflicts, in turn, will make it more difficult to combine the forces of the president and the "screwups" [Walesa's description of right-wing leaders], or they could even make it impossible for the forces to combine at all. So the chances of Walesa's becoming the center-right-wing's candidate are really quite slim.

That does not change the sad conclusion that, if the post-"Solidarity" camp has the intention of running in the elections under a joint banner, common sense makes it necessary to support Walesa. If not with Walesa, however, then with whom?

For the Sake of Efficiency

The answer is obvious: One must look for a different unifying formula. True, we have been losing our historical and program-related clarity (from that standpoint, Hall's concept is unmatched), but, at the same time, one is led to assume, we will improve our efficiency.

Believe me, it is not small parties or shaky coalitions that will determine who wins the presidential elections. The way one attains the Belweder post is apart from, or even over the heads of, political parties or even perhaps apart from, or over the heads of, both the right wing and the left wing. The elections will simply be won by the candidate who manages to establish the strongest movement of social support around himself.

One should obviously not hope that such a movement could be established in complete detachment from historical legacies. After all, it was the "Solidarity" movement that built the independent and democratic Poland, the Third Republic. Even if there are people for whom this fact is completely irrelevant, it is still worth supporting a candidate who has an anticommunist background, if only for reasons of social peace. Such a candidate, while gathering the widest possible array of political and social forces around himself, should not limit himself to the electorate that has been traditionally identified with the "Solidarity" tradition. On the contrary, after his victory, he should see to it that he is approved by society as a whole, and he should become "the president of all Poles."

So the coming months will be an important test for all of us, activists of various parties of the former "Solidarity" camp. This is definitely our last chance to present ourselves together, at least in some form of a clear majority. Are we capable of ignoring our own likes and dislikes, or at times even our own value system? For the sake of efficiency, are we capable of coming to an agreement on a much wider platform than that suggested by Aleksander Hall?

Let us not have any illusions: Coming up with an "apolitical" candidate, such as a figure of social or

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scientific prestige, is not possible. Aside from the need for a promotional campaign, for which there is neither the time nor the money nor the ideas, we still do not know whether the election will actually take place after the new constitution is officially adopted. So the presidential candidate should be someone who is popular in the world of politics and who has passed the test there; it should be someone with enough intuition to be able to adapt himself or herself to the many different types of situations in which he or she will have to act.

At this point, we are beginning to talk about specific names.

To the Right, to the Left, Up and Down

Aleksander Hall avoids specifics. Time is flying, however, so the sooner we begin dealing with specifics, the better. So, let us talk about names!

Let us note right away that just one party, UW, has a chance of coming up with a candidate who would be from the "Solidarity" tradition and who would be a national candidate at the same time, and that is not just because it has a wide array of politicians but, first of all, because UW, while being the only opposition party in parliament derived from "Solidarity," was capable of remaining at the center of the political scene. The importance of possible competitors from the Union of Labor [UP] (Aleksander Malachowski, Karol Modzelewski) could only be symbolic because they unequivocally evoke the left wing in people's minds.

Tadeusz Mazowiecki is UW's natural presidential candidate. Of all four prime ministers of the Third Republic, Mazowiecki is the only one who continues to be very much in the limelight; also, he enjoys international prestige. Still, Mazowiecki, even though, in theory, he could possibly win over some right-wing parties, such as the Conservative Party, for instance, would remain primarily UW's candidate. As UW chairman, he brings the party to people's minds too strongly to be a nonparty presidential candidate. It is also hard to imagine the major loser from 1990 winning in 1995, given that the situation is much less favorable this time around.

Leszek Balcerowicz would have much greater chances. However, he could also become a candidate of just one party, while, given that he is being attacked severely by both the left and the right wings, all Balcerowicz can "count on" is a spectacular defeat.

UW has in essence only two candidates who could gain a wider, nonparty electorate: first of all, Hanna Suchocka, who is acceptable to UW and to both right-wing coalitions. Unfortunately, her problem is the stigma of defeat, which is no less formidable than Mazowiecki's. Also, as the prime minister of a government that was recently brought down, she is disliked by a large portion of society. She has been surprisingly inactive of late, almost completely absent from the political scene.

It is a completely different story with Jacek Kuron, who, after all, is a symbol of the Polish people's 30-year-long fight with communism. Kuron has enjoyed consistently high popularity ratings over the past four years. As a politician and social activist, he is very sensitive to various problems of different social groups and milieus, and, contrary to Walesa, he is completely free of demagogic tendencies, which, contrary to appearances, people are capable of appreciating. Kuron's candidacy does have some flaws, however, the primary one being that he is unacceptable to the right wing. Aside from that, it is hard to resist the feeling that he is a politician whom society is a little bit tired of seeing and hearing. Finally, Kuron is the "popular tribune" type, which, by the way, makes him somewhat like Walesa, while it could in fact turn out that voters will want to see a clear change in the presidential image.

While Suchocka could possibly be capable of expanding her electorate to the right (without any guarantees, however, from the PC or "Solidarity"), Kuron could expand his electorate to the left. One can say that UP would definitely support him. Still, what does "to the right" or "to the left" really mean? After all, nobody, aside from Kuron, is capable of creating a wide, genuine social movement that would be both post-"Solidarity" in nature and invoke the interests of society as a whole. "To the right, to the left, up and down"—this is the way Aleksander Smolar used to describe UW's platform. The thing is that only Kuron would be capable of implementing such a program; only he can establish some form of the "reform-oriented populism" of which other post-"Solidarity" politicians hopelessly dream.

The question remains whether UW will decide to submit Jacek Kuron as its presidential candidate. The party is facing a decision these days that will not only determine its profile but also have an impact on the country as a whole.

UW's evolution over the past few months is no cause for optimism, but, on the other hand, Zofia Kuratowska's liberal wing has a chance to restore ideological balance back to the party. It is possible that UW will have to go through wide-ranging internal reshuffles, while the division between the right and the left wings could even prove unavoidable. Still, even though the diagnosis is very painful, it seems like the lesser evil compared with a decision condemning the party to a candidate who would perpetuate old divisions and thus condemn himself to defeat. It is also a lesser evil compared with the passionate fight the right-wing coalition will have to wage against Walesa over the same "independence-oriented, populist-Catholic. [sentence as published]

It is a completely different story with Kuron's candidacy. Even if Walesa were to run along with the right-wing parties, which does not seem very likely, this should not pose a danger to the UW politician who is capable of overcoming obstacles. Let us dot all of the i's: Kuron has a chance to become the best guarantor of religious peace

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(because he will be credible to both sides), as well as the best guarantor of liberal economic policies, even though that would be in "protective colors." Through the fact of neutralizing the electorate that is oriented toward left-wing sentiments and ones based on making claims, I think Kuron can at least count on neutral positions by some right-wing parties.

Would UW be capable, however, of accepting the need for such a "historical compromise"? Would a politician as open-minded as Aleksander Hall be capable of understanding such a need?

Obviously, even if we all refuse to support Jacek Kuron, it will be no big deal, either. There are many excellent politicians in Poland, such as Andrzej Olechowski, for instance, whose popularity ratings are also very high. I know for a fact that many right-wing supporters would be willing to speak out in favor on Olechowski's candidacy. I would be in favor, too. Just one thing: In that case, let us not try to make it look as if there is anything left from the old "Solidarity" camp.

SD Chairman Janowski on Party's Current Status

MM0208101294 Krakow GAZETA KRAKOWSKA in Polish 20 Jul 94 p 3

[Interview with Professor Jan Janowski, Democratic Party chairman, by correspondent Jerzy Palosz; place and date not given]

[Text] [Palosz] Recently there was much talk about various personnel upheavals within the Democratic Party [SD]. It was on this occasion that many people learned to their great surprise that the SD is still alive....

[Janowski] Indeed, after the dissolution of the "contracted" [post-Roundtable] Sejm, in which our parliamentary party was represented quite strongly, and after suffering rather obvious defeat in the two most recent parliamentary elections, our party had virtually disappeared from the political stage.

[Palosz] Why?

[Janowski] Our previous political base was the intelligentsia and the social groups that are conventionally defined as the middle class. In other words, the social stratum targeted by the majority of post-Solidarity political parties as ground for their proposed expansion. In addition, there were also internal reasons for such a state of affairs. Following the 14th Congress, successive SD chairmen and leadership teams tended to leave the strictly political scene in favor of the economic sector, attempting to secure the party's material survival. Unfortunately, their efforts brought results that were the exact opposite of their intentions. They also undertook a series of ventures that not only contributed to the SD's partial disappearance from the political stage but also, equally dangerously, put the party in danger of losing its political identity. An example could be furnished by the case of last year's parliamentary election. True, we were able to secure four seats in parliament for our deputies, but our candidates were actually running under the aegis of other political parties whose programs were often divergent from ours.

[Palosz] As far as I remember, at the time, the SD did not declare a clear position on the question of election alliances, did it?

[Janowski] It was difficult to talk of political alliances in a situation like that. Because the SD did not figure in the election as an independent political party, those supposed "alliances" were in fact merely individual initiatives undertaken "privately" by people who wanted to run for parliament. It would have been difficult to talk about any kind of party policy in that situation. In addition, we should mention the fact that, at the same time, the SD lost its press backup facility—that is, the whole range of periodicals published by the Democratic Party Publishing House. This completes the picture of the party's situation at the time: The SD did not run in the election as a separate political party, which was tantamount to abrogation of its basic political duty, and, at the same time, it lost its means of communication with the public. Furthermore, a certain sector of the public treated our party as a relic of the bygone era. All of this could have only one outcome: The SD vanished from the political consciousness of the Polish public. Perhaps we should conclude that the only useful result of the latest "civil war" within the SD was that it reminded the public that our party is still around.

[Palosz] What was the bone of contention in that "war"?

[Janowski] It is not for me to discuss it because, at the time, I had withdrawn from active participation in the party's life as a result of my disapproval of the political line of the new leadership of that period.

In general terms, my own reason for doing so was my belief that the party's assets were being squandered in an altogether alarming fashion. Chairman Rafal Szymanski even went so far as reaching for the assets at the disposal of SD regional committees. The other reason, which tipped the scale, was the one I already mentioned here: the atrophy of all political activity within the party's leadership ranks. Local SD activists could not condone such a state of affairs and, acting against Chairman Szymanski's express wish, called a meeting of the Supreme Council, which then convened an extraordinary SD congress. The congress recalled Szymanski and appointed a new leadership team. However, Rafal Szymanski refused to accept the congress's resolutions and questioned the very legality of the congress, claiming, in our opinion wrongly, that it was convened in violation of the required formal procedures. As a result, the Voivodship Court refused twice to register the new SD leadership, and it was not until the case was heard in the Appeals Court that we managed to get the whole thing finally sorted out to our satisfaction. The whole contentious question revolved around the doubt whether the Council could be called without the agreement of the

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party chairman and whether the delegates appointed to the previous, 16th Congress, could also represent the party at the Extraordinary 17th Congress. The whole issue was kept at "boiling point" for the next six months, and that was another period of valuable time lost by the SD. Moreover, during that time Mr. Szymanski was still in the position of having the SD assets at his disposal, and he managed to sell the warehouses belonging to the SD "Epoka" Publishing House warehouses in Warsaw. That entire period is still a source of grief for us all. It was Szymanski who incurred many financial liabilities during that time, but now I am being repeatedly taken to court over the consequences of his actions. Just recently I had another such case, and it is hard to say whether it was more sad or more ridiculous. A woman employee who had stuck by Szymanski until the bitter end is now taking me to court over the salary that was due to her and that he neglected to pay.

[Palosz] Because you claim that the SD has lost its political identity somewhere along the way, you must also, as new SD leader, have a concept for lifting the party out of the present condition of political moribundity, must you not?

[Janowski] Not just I alone. There is a concept for renewal that is shared by a large group of political activists. We assume that there is a need for a group representing the voice of reason to exist at the center of our politics, a need for a party that will not pursue demagoguery for its own sake or propose programs that would require constant sacrifices from the public. We believe that the traditional middle classes constitute the broad base for our activity in this direction...

[Palosz] ...but surely there are already several parties fighting over potential voters in that field?

[Janowski] We are aware of that. However, we believe that, after the past four years, the medium- and small-scale entrepreneurs and the intelligentsia—the latter largely represented in the so-called budget-funded sectors—have realized that they have not to this date found a cohesive representative of their interests. In addition, those people must have realized by now that they are the group that has lost the most as a result of the economic transformation processes. In our opinion, state policy should not be based on mending holes but on creating systems that would in the first place take into consideration the situation of those social groups without which we cannot, after all, even begin to build capitalism. In Poland a peculiar social stratification took place very rapidly: A small number of people have made gigantic fortunes, while the rest is sliding fast into poverty. There is a lack of a middle class, without which capitalism cannot develop at all properly. The essence of capitalism is not that one man should get rich enough to buy 10 Mercedes automobiles for himself. The proper market economy should ensure that each of 100,000 people, or even a million people, will be able to buy Mercedes automobiles for themselves. We also have grave reservations about the present forms of social welfare provisions. There is too much "free distribution of gifts" and too little active involvement policy—too few policy instruments capable of creating new jobs. We do not set out to save the world. Nevertheless, over whole decades in the past, we were the one political force that protected private businesses, and we have our own experience and our own philosophy in these matters.

[Palosz] Until 1989, the SD was based on three social groups: small manufacturers and private entrepreneurs, the intelligentsia, and people who joined the SD because they needed to belong somewhere but did not want to join the Polish United Workers Party [PZPR]. That last group has now dispersed because nowadays no one is forced to belong to some political group or other. The intelligentsia tends rather to support the Union of Freedom, the Democratic Left Alliance [SLD], or the Union of Labor. The private entrepreneurs have split up into several groups. Those who are the most successful have joined the Liberals. The prevailing majority, which has been trodden into the ground, is now representing the SLD or is joining the more extreme political parties. To give you an example, it was the the bankrupt artisans and small craftsmen who constituted the foundation of the "X" Party. Does the SD have any electorate left at all?

[Janowski] We represented the three social groups you mention, but that does not mean that they identified themselves politically with us. If they had, we would not have had any problems with winning the first round of the 1989 election. Of course, you are quite right. The intelligentsia is divided, and it tends to sympathize with the Union of Freedom, but that is only the situation in large cities. It is completely different in smaller urban centers. According to our preliminary estimates, we won some 350 seats in local self-government elections, which gives us about half a percent on the nationwide scale. In my local parish of Suloszowa, we have three SD delegates in the local self-government council. We do exist as a political presence in small cities. The situation is somewhat worse in the larger cities. It is obvious that, in the former case, the fate of small entrepreneurs or businessmen depends to a much greater extent on the decisions of local authorities than it does in major conurbations. A local craftsman or artisan knows that, if he has an SD representative on the local self-government council, his delegate will be looking after his interests much better. We believe that we will ultimately be able to work out programs that will meet those people's expectations....

[Palosz] For example?

[Janowski] For example in the question of rent payments on business premises. We know that, on the whole, those who have been allocated the highest rents tend not to pay them in the long run. So why should we not let them use their premises in return for a smaller rent if they undertake to, say, train two or three apprentices or price their

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goods and services at slightly cheaper rates? Thus, it is perfectly possible to seek and find solutions that will be to the advantage of both the small businessmen and their local communities and parishes.

[Palosz] How many members do you have in the SD?

[Janowski] Before the 14th Congress [as published], we had 120,000 members. Last year we announced a scheme to replace old party cards. To date, we have issued some 20,000 new cards. I estimate that about 15,000 people are active SD members at the present moment. I believe that nowadays the strength of a party is no longer measured in the number of its members but in the number and dynamism of its aktiv, as well as the quality of its local structures. The fact that we have a good aktiv and well-organized local structures places us in the ranks of strong political organizations.

[Palosz] You have the local structures, the aktiv, the assets, and, despite the past, which goes back into the communist era, a rather good reputation. It could be assumed that the SD will be an interesting partner for the newly emerging political parties, which usually have no organized local structures and are, on the whole, not too affluent....

[Janowski] For the time being, we decided at our latest congress to adopt the principle that our local organizations will be granted full freedom to enter into political alliances before local self-government elections. As far as I know, our members in the recent past usually joined forces with the Union of Freedom or the SLD.

As regards longer-term political calculations, we must wait and see for a while, first because we must still rebuild our numerical and other strength. Serious talks about alliances are conducted only with strong partners. Second, we must prepare a good program for next year's SD congress. This program should define the circles of our potential future coalition partners. Of course, we would be happiest if we could run in the election on our own strength, but here everything will depend on cool evaluation of our realistic possibilities and chances. Yet another solution would be to select one strong coalition partner. This, however, might in turn create the danger that we could become dominated by that partner. To give you an example: In Krakow, we ran in the election within the team of the triumphant coalition "Your City"—but we won only one seat on the council. The third possibility is that we could seek to form a coalition with several other groups of roughly similar strength. However, for the time being, it is all in the realm of speculation. During the forthcoming election campaign before the congress, which will take place this fall, we will take a realistic look at our strength and our potential. Then I will be able to answer your question fully.

[Palosz] Thank you for talking with us.

Central Planning Chief on Economy, Inflation

MM0308084794 Bialystok GAZETA WSPOLCZESNA in Polish 26 Jul 94 p 2

[PAP report: "Official Optimism: Inflation in 1994 Will Be Higher Than Planned"]

[Text] "Trends observed in the economy in the first half of 1994 suggest that, over the whole year, the gross domestic product [GDP] will rise by 4.5 percent," Miroslaw Pietrewicz, head of the Central Planning Administration [CUP], said at a 25 July news conference in Warsaw.

According to CUP estimates, industrial production should be 8 percent up on last year's figures, real wages should rise by 4.3 percent, and the results of our foreign trade operations should also be markedly better.

According to Pietrewicz, the results of the first six months of this year "allow us to take an optimistic look at the economy within the scale of the whole year." However, CUP estimates predict that inflation will be higher than previously planned (31 percent annual average, as against the expected 27 percent) and that the number of unemployed will exceed 3.1 million.

In Pietrewicz's opinion, the 4.5-percent GDP increase is consistent with earlier estimates. Industrial production will be up on last year's figures (by an expected 8 percent, whereas last year's increase in industrial production amounted to 5.6 percent). In addition, agricultural production results should be better than planned by approximately 1 percent.

CUP estimates that it will be impossible to keep inflation at the level forecast in this year's budget. According to Pietrewicz, such factors as the lack of wage controls over four months and the additional updating of social welfare benefits in June will result in a 26-percent surge in prices (December 1994 compared with December 1993) compared with the expected 23 percent, and in the average annual price increase of 31 percent instead of the expected 27 percent.

Over the whole of 1994, gross nominal wages in the industrial enterprises sector will rise by 36.7 percent and in the budget-funded sectors of the economy by 32.1 percent (in the whole economic sector, the nominal wage increases will, on average, amount to 35.2 percent). Comparison with the expected price increases shows that this year the purchasing power of the average gross wage will be 4.3 percent higher for enterprise employees, whereas, in the budget-funded sectors, it will be 0.8 percent higher as compared with last year's figures (the budget act originally assumed an average increase of 1.5 percent). This year, the average old-age or disability pension will buy 5.4 percent more than last year. The nominal value of these pensions will rise by 38.1 percent.

UOP Deputy Chief Interviewed on Crime

WS0208073094 Warsaw RZECZPOSPOLITA in Polish 1 Aug 94 pp 1, 3

[Interview with Lieutenant Colonel Jerzy Nozka, deputy chief of the Office of State Protection, by Anna Marszalek; place and date not given: "Gangs Are Trying To Buy Officials"]

[Text] [Marszalek] Do the organized criminal groups operating in Poland exert any influence on the authorities?

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[Nozka] It depends on which authorities we are talking about. We may be talking about the governmental and self-governmental administration, about the promotion of leaders and political activists, about influence on the state's cadre policy, for example, about the selection of civil servants, or about the election of Sejm deputies and candidates to self-governmental authorities. In line with our information, attempts to exert influence on authorities most often take place at the local level. One can imagine a situation where somewhere in one of Poland's regions a group of organized crime is established, which reaches an agreement with electoral committees and tries to field its own candidates for town mayor or village administrator. If it gets its own people in these posts, it would find it easier to conduct its activities in the future. The organization might count on the authorities to grant it some immovable property and all kinds of licenses and concessions, including, for example, trade concessions.

[Marszalek] Is this Mafia-like activity?

[Nozka] There is a trend toward identifying organized crime with the Mafia; for example, we often hear reports about the Proszkow or Wolomin Mafia. The concept of "Mafia-like activity," however, has certain specific connotations. The Mafia is a secret criminal organization where there is a certain hierarchy and a strict division of roles: planning roles, staff roles, executive roles. Such an organization recognizes a situation in an organized manner, and it employs methods of blackmail, coercion, and intimidation. It sticks to the principles of solidarity, silence, etc. Moreover, it attempts to penetrate the structures of the state administration or political authorities, which is its main characteristic. Polish groups do not meet these requirements; however, we certainly must take such a possibility into account.

[Marszalek] Can it definitely be ruled out that gangs are "buying" voivodes or Sejm deputies? There was a case when criminals tried to bring about a change in the position of a voivode.

[Nozka] We are watching such attempts; however, none of them have been successful. More widely known are examples of lobbying in favor of certain causes or groups, which may attempt to get people into authority structures who are favorable disposed toward them or financed by them. They can also try to bribe civil servants or win the favor of influential people by means of money. I am not speaking simply about money as such, but also, for example, about giving good jobs to them or their families. Incidentally, this also works in the other direction—people who are fulfilling public functions can fill positions with their own people.

[Marszalek] For example, a former civil servant in the Ministry of Foreign Economic Cooperation, who used to be responsible for granting licenses, finds a job in a company trading in fuel.

[Nozka] We know about links, often only informal links, between well-known people and the criminal world. However, this does not show anything until an offense is proved.

[Marszalek] Did any people with criminal records, maybe people who are now respected businessmen, enter the authority structures after the recent round of self-governmental elections?

[Nozka] We cannot unequivocally answer this question. We can see some symptoms, however. We are aware of the fact that we have only enough strength and money to observe a fragment of the phenomenon. We try to investigate and verify all of the signals that upset us the most. Aside from that, the elections were held only recently, and we do not yet have a full picture. We are not trying to get one, anyway. We are approaching the problem from the viewpoint of threats, not specific individuals. We are not starting our work by investigating the lives of a large group of city and town council members. Incidentally, we are not allowed to do that.

[Marszalek] Why? As the political police...

[Nozka] I will interrupt the interview...and I will not explain once again that we are not a camel. We also examine political, social, self-governmental activity. However, we do this through the prism of threats to the constitutional foundations of the state. We start with phenomena that threaten the security of the state; only then do we try to establish who is behind it. For example, when we are interested in who occupies public buildings, actions that paralyze the activity of voivodship or town offices, or roadblocks, we evaluate whether they pose a threat to the security of the state. We do not, however, infiltrate specific political groups.

[Marszalek] Can the Office of State Protection [UOP] say where presidential candidates receive the money for their campaigns?

[Nozka] We are not able to determine that. The only organ that has powers in this area is the State Electoral Commission [PKW]. (However, it cannot issue an opinion on this because it has not received some of the settlements: the expenditures and sources of financing of electoral committees, both in the parliamentary and presidential elections—note by A.M.). We could try to look into this phenomenon ourselves, but we would be in an awkward situation. The issue is "delicate"; someone might say again: "political police."

[Marszalek] The regular police, however, will not deal with it. Can this issue be left as it is only because you are afraid that someone might refer to you as the political police?

[Nozka] The issue of balancing election campaigns is always delicate, but if the PKW notified the prosecutor's office about an offense and if the issue were handed over to us, we would conduct the preparatory proceedings. This has not yet been done. We should again demand more employees and money, let alone powers.

[Marszalek] It seems that this argument would not be very good; after all, many parties may really want certain issues concerning their money to remain unknown.

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[Nozka] We are really not a service that could or would like to conduct an inquisition. The Security Service had approximately 20,000 people in its vast structures, which reached into all of the voivodships. This apparatus had possibilities of penetrating the functioning of the state administration, the economy, and the system of cooperatives that were incomparable with our capabilities. Their powers were not as limited as the powers of UOP. For example, the investigation section of the Investigation Department of the Voivodship Office of Internal Affairs could take over any case it liked.

[Marszalek] Is it not true that you want to evade so-called political issues if you become involved in economic matters?

[Nozka] We want to focus on issues that concern the security of the state indirectly or directly. We can see, for instance, that the sphere of the national economy is virtually unprotected: insufficient protection of secrets, penetration of economic intelligence services, the possibility of playing certain economic games aimed at weakening certain branches of industry or to eliminate companies that are competitors to foreign firms. We can see the weakness of the state's financial system—the opinion on its effectiveness and saturation with capital influences the evaluation of the economic risk level in a given state. As a result of these and other threats, the government has set specific priorities for our service; this is why we must also deal with issues that are a threat to the economic security of the state.

[Marszalek] This has been partially put into question by the director of the Prosecutor Department in the Justice Ministry, who, in a letter to prosecutors, ordered that economic cases be forwarded to the police, not to UOP.

[Nozka] We would also like to see UOP's legal powers in economic issues precisely defined. I believe that it is also in the interest of prosecutors' offices to see this issue resolved soon; the offices always decide whether or not to forward a specific case to us. Therefore, the opinion expressed in the letter is a surprise rather than a source of irritation. It so happens that prosecutors readily hand economic cases over to us when large sums of money are involved, or cases that are very complex. The letter from the department has raised uncertainty among prosecutors working in the various regions.

[Marszalek] Why has the prosecutors' office taken such a stand?

[Nozka] Lack of a uniform concept of criminal prosecution.

[Marszalek] How would you define the type of organized crime groups operating in Poland?

[Nozka] The activity of Italian Mafia-like organizations is determined by history and custom. There are no such traditions in Poland. Even though our history has taught us to disregard the law, we do not feel a broad social acceptance for crime as such, especially for organized crime. One thing must be remembered, however, and that is that organized crime has become international.

[Marszalek] Can one compare the criminal groups operating in Poland to western and eastern groups, or is it so that Poles are still merely the executors employed by foreign bosses?

[Nozka] We do not have a full picture of the composition and structure criminal groups. Our knowledge about the eastern Mafia and its links to criminal organizations in Poland is not complete, either. We are still especially interested in the sources of financing of criminal activity. We are observing an influx of foreign capital. The origins of this capital are often unknown. We are also examining the international links of people who are investing their money in Poland.

[Marszalek] Can you provide an example of dirty money being introduced into Poland?

[Nozka] I cannot discuss this because I would make known our interest in this area. There are, however, special units operating in Poland that have been recognized by us. We cannot say anything about them in public because all of our work would go down the drain.

[Marszalek] Are there any banks among these units?

[Nozka] Of course there are. Some of them have been specifically established for such a purpose.

[Marszalek] What about funds?

[Nozka] Some of them, yes. They would not, however, be able to process large sums of money in a short amount of time.

[Marszalek] Have any of the cases reached a court of law?

[Nozka] The phenomenon of "laundering" is extremely difficult to prove. Dirty money that comes to Poland has often gone through several "laundering machines." We know where the capital enters, how it is utilized, and how it is then transferred. However, for the time being we cannot do anything. No case will find its way to a court of law until there is either a law on the protection of economic transactions or an amendment to the Criminal Code. The above-mentioned proposals of legal regulations are only one of the elements that are necessary to establish a system of combating money laundering and to control illegal financial transactions.

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Foreign Minister on Treaties With Neighbors

AU0208153694 Bucharest ADEVARUL in Romanian 30 Jul 94 p 5

[Interview with Foreign Minister Teodor Melescanu by Romulus Caplescu; place and date not given: "Romania Is Searching for Partners With Whom It Can Share the Same Values"]

[Text] [Caplescu] Moving from the sphere of multilateral diplomacy to the sphere of bilateral diplomacy, what is the stage of negotiations for the finalization of the basic treaties with Hungary, Russia, and the Republic of Moldova? What obstacles are still to be overcome?

[Melescanu] First of all, I would say that these treaties can be divided into two distinct categories. The basic treaty with Hungary, which is the most urgent one, I would include in the first category. Not necessarily because of some paramount reasons, but rather because Romania's bilateral treaty with Hungary is, to a certain extent, part of the stability pact in Europe, for whose validation a precise and pretty close deadline has been fixed—otherwise, uncertainties would be prolonged—namely next year. Therefore, I consider this treaty as our first priority. Maybe there are also other arguments in favor of giving priority to the treaty with Hungary, including the most recent opening signals that have come from the Budapest government. I am talking from a strictly procedural point of view. I have recently sent some proposals, with new dates for the resumption of the negotiations, to my Hungarian colleague, the new Foreign Minister Mr. Laszlo Kovacs. We hope to resume these negotiations very rapidly, in less than a month from now, including at the level of foreign ministers, and to examine alternative solutions to the two big problems, the problem of borders and that of the minorities. It seems to me that, with a minimum of effort and particularly with a lot of good will, we can find mutually acceptable solutions to both problems. Regarding the borders, Mr. Gyula Horn and Mr. Minister Laszlo Kovacs have taken explicit stands on this issue, by stating very clearly that Hungary has no territorial claims.

[Caplescu] Prime Minister Horn also said that he considers himself to be the prime minister of 10.5 million Hungarians, unlike his predecessor, who said that he represented 15 million Hungarians, thus including those living beyond Hungary's borders.

[Melescanu] Exactly. Therefore, there is a political base for negotiating a formula that can be included in the treaty. Likewise, I believe that the dialogue on the problems pertaining to the issue of minorities has been made much easier by the fact that Romania ratified the European Human Rights Convention. I dare say that, both from the viewpoint of the standards in this matter as well as from the viewpoint of the mechanisms supervising the way in which the obligations assumed are observed, it is fully possible to find convenient formulas on this matter of the minorities.

Regarding the treaty with Russia I would say that the only difficulty right now is finding a formula which can reflect our position on the Molotov-Ribbentrop pact and its consequences. The difficulty is caused by the fact that the Russian Federation does not consider itself responsible for a series of things that took place during the time of the Soviet Union. Therefore, there is a procedural difficulty here, so to say, but the treaty remains one of our priority targets and we hope to have a new round of negotiations soon.

Referring the basic treaty with the Republic of Moldova, I would say that this time the difficulty arises from the fact that this treaty is not like any other one. If, in the other cases, we can use one or another model, there is no scenario to follow in the case of Moldova. We will have to find a way to reflect the specific nature of certain given features and the fact that we are the same people, with the same tongue and the same cultural, spiritual, and historical inheritance, and that we have identical interests. Moldova is now undergoing a political process of crystallization of certain opinions and positions, which I personally do not always share but which, in my capacity as representative of the Romanian Government, must respect, since they are decisions often made by the Parliament and government. We will see to what extent we can reconcile the opinions of the two sides.

As a matter of fact, this is also the explanation for the lack of progress in the negotiations. We presented a first draft treaty of fraternity and integration to the representatives of the Republic of Moldova quite some time ago—almost two years have passed since then. We also received a counter-project, which looks to us pretty far removed from our approach. Therefore, we will have to identify a meeting ground between these two positions.

In conclusion, I would like to reiterate our government's total readiness to negotiate such a bilateral treaty and to look for any formula which can take into consideration both feelings and realities.

Chances of Reconciliation With Hungary Assessed

AU0308073294 Bucharest EVENIMENTUL ZILEI in Romanian 28 Jul 94 p 1

[Second of two installments of editorial by Ion Cristoiu: "The Historical Opportunity for Romanian-Hungarian Reconciliation"]

[Text] In the previous installment of my editorial I pointed out that in an interview published by the Polish daily GAZETA WYBORCZA, Laszlo Kovacs, the foreign affairs minister of Hungary, criticized the policy of the former [Hungarian] government with respect to Slovakia and Romania, and especially with respect to the Hungarian ethnic minorities living in those countries.

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After emphasizing that the current socialist government has three priorities in its foreign policy (close integration within the West; normal relations with neighboring countries and, in the case of Slovakia and Romania, achieving reconciliation; support for Hungarian ethnic minorities living abroad), Kovacs denounced the fact that the former government considered the issue of Hungarian ethnic minorities living abroad a priority compared to the two other issues. Owing to this, assessed the new foreign affairs minister of Hungary, "the former government obtained results contrary to those they had anticipated." Without renouncing support to the Hungarian ethnic minorities living abroad, the new Hungarian government will cease to consider it the top priority issue, which might encroach on the other two. This means that the new Hungarian Government wishes to point out that it is not ready to aggravate its relations with the neighbors, with Romania, for instance, just for the sake of the Hungarian ethnic minority living in a given country. Practically speaking, this means that the UDMR [Democratic Union of Hungarians in Romania] will not find a Budapest government ready to burst out and protest all over the world, or exert pressure on Romania whenever they complain of injustices allegedly perpetrated on the Hungarian ethnic minority living in our country. Another extremely important statement recently made by the head of the Hungarian diplomacy is the following one: "International negotiations should not be turned into a lecture about history; although Hungarian history is extremely interesting, during talks between ministers or premiers we should not be presenting Hungary's history beginning with the settlement of Arpad until today." With this statement, Kovacs is hinting at one of the great mistakes made by the former Hungarian Government, namely to set as a point of departure, in every negotiation with Romania, the absurd claim that from the historic standpoint, Transylvania belongs to Hungary. In diplomatic language, the Hungarian foreign minister means to say that the new government wishes to put an end to all discussion on Transylvania supposedly belonging to Hungary. Which means that they officially acknowledge, in an indirect way, that the process of historical reconciliation between Romania and Hungary has been impossible as long as the Budapest authorities continued to raise the issue of Transylvania by refusing to accept in writing the inviolability of borders established after World War II. Similarly, through the authorized words of the head of its diplomacy, Hungary declares that it is prepared to give up another important element of its foreign policy as practiced so far. In the aftermath to 1989, Hungary has tried as hard possible to keep Romania isolated from the international community. Both by means of proxies, as well as directly, Hungarian diplomacy has conducted a continuous campaign in the international fora and in the world press to present a distorted picture of current reality in Romania, and not solely with respect to the situation of the Hungarian ethnic minority, but also regarding the level of reform we have attained and the establishment of democracy in our country. The new foreign affairs minister of Hungary now clearly states: "It is inadmissible to isolate our neighbors; it is inadmissible to prevent them from integrating into Europe."

Could this new policy of Budapest's represent the beginning of a process of historical reconciliation between Romania and Hungary? Of course it could! The current process ongoing in the Middle East is, from that point of view, an exceptionally good example. Both there and here, the great enemy of reconciliation is mutual suspicion. In the Middle East suspicion has taken the ultimate form of wars and ambushes spread over almost half a century. Between Romania and Hungary (except for the [1940] Vienna Dictate), suspicion has not reached such a level. Despite the proportions assumed by mutual suspicion in the Middle East, today they are laying the foundations of reconciliation. There, suspicion has been defeated. Why could suspicion not be defeated here, as well? Both there, as well as here, the process of reconciliation is prompted, among other things, by the superpowers' interest in having peace and stability in the region. Such is the case regarding relations between Romania and Hungary, as well. Currently there is great interest in Western Europe that Bucharest and Budapest normalize their relations and achieve reconciliation. To that end, both the Romanian and Hungarian Governments have been given numerous signals from abroad. The head of Hungarian diplomacy openly admits this in his interview with GAZETA WYBORCZA: "Its conflicts with its neighbors burden Hungary's image in the West and makes our situation in Europe difficult."

Bishop Tokes Views Relations With Hungary

AU0208181394 Budapest MAGYAR HIRLAP in Hungarian 30 Jul 94 p 9

[Interview with Presbyterian Bishop Laszlo Tokes, honorary president of the Democratic Union of Hungarians in Romania, by Dezso Pinter; place and date not given: "Autonomy Takes Us Closer to the Solution"]

[Excerpts] [Passage omitted] [Pinter] In your view, what possibilities will the new Hungarian Government have in settling the the issues of Hungarians living beyond the border?

[Tokes] It can begin its work in a relatively favorable situation because the pioneering work in connection with the Hungarians beyond the border has already been performed by the previous government. This breakthrough happened when, four years ago, the Antall government made it obvious that it thinks in nation terms and takes responsibility for the Hungarians beyond the border. [passage omitted] The new government should try to preserve continuity as regards the basic processes. It can do this because the main directions of foreign policy were laid down on the basis of party political consensus in 1990. All this can be further developed and the mistakes can be corrected—but there is no need to search for a direction. The legitimate Hungarian organizations operating in the successor

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states also set a demand level for the Hungarian Government. The government cannot ignore this level without political and moral losses, and I do not think it wants to ignore it. In my view, this government—also in its own well-perceived interest—is willing to give at least as much as the previous government did.

[Pinter] Does the fact that you will have to keep contact with new people in the government pose any difficulties for you?

[Tokes] Basically, it is almost always a problem to get to know new people, to get used to them, and to work together with them. However, beyond this, I do not expect serious problems because I have been in contact with a number of members of the new government since 1989-1990. In his capacity as foreign minister, Gyula Horn took a stand in my struggles in Temesvar [Timisoara] and helped me, he turned to the international public and governments in my defense. For me, the new Defense Minister Gyorgy Keleti will always remain a legendary spokesman of 1989. [passage omitted]

[Pinter] According to some of your statements, foreign countries still view Transylvania through a distorted prism. On what do you base this view?

[Tokes] Let us talk about the West. Their prism was the product of a belief that was well manipulated for a long time. There was a time—a long time—when the West did not even believe its own eyes, rather, it accepted Ceausescu's propaganda talk. To a certain extent, people in the West are still inclined to return to the old way of thinking. [passage omitted] The Western people in question would have to have a great moral strength to realize their mistakes. They were so frightened at the time of the Romanian landslide that they were full of repentance. As the situation gradually calmed down, our Western partners also began to forget what the actual issue was. The Trianon peace system implemented the propaganda of nationalisms that had for a long time been causing damage. These intentions still have such reserves of power—confirmed by the peace treaties after World War II—that we still have not been able to achieve that international political and public thinking in connection with the East-Central European countries, nations, and situations take a decent direction. A great breakthrough is needed, some of whose elements already exist, and I am also working on helping these to come about. A conscious policy to create an image [arculatteremtes] might bring its fruits by the end of the century.

[Pinter] What fruits are you hoping for?

[Tokes] [Passage omitted] First we have to utter the truths and elucidate the situation. After this, we can start on the road of a real Balladur plan, a real policy of stabilization. Then the upset value system can be restored and the balance of a fragmented region can be established. Then our rights—naturally, I am not only talking about the Hungarians—the rights due to everyone, can be attained and an adequate European situation can arise. A common conscience and a common attitude has to be the most marked characteristic of a common Europe. As long as Europe and the various nations and governments use distorting glasses, and the superpowers have tunnel vision, we cannot talk about progress. Until then, the issues can only be swept under the carpet. This is what the European political line is directed at: It pushes a false appeasement and wishes to achieve stability at all costs which again does not help our cause. This line must not tempt the Hungarian Government lest the superpower expectations become mixed with the Arad type politics in Hungary! [passage omitted]

[Pinter] Many people believe that the European processes of integration promote or enforce the implementation of norms in those countries that have objectionable practices. What are your views on this argument?

[Tokes] It would be a big mistake if European cosmopolitanism replaced communist internationalism. Internationalism appeared as a noble idea in its time. The extreme notion of world citizenship can also be an attractive idea for many people. However, in both cases, deception is in the background because the notions of region, nationality, and identity are missing from their perception of reality. When these notions do exist then they are seen as a mere abstraction, perhaps utopia, or crime in the worst case. Europe might again find itself in a bitter blind alley if integration cannot be reconciled with the idea of the Europe of regions, with the respect for the pluralism of independent identities.

[Pinter] How often is it mentioned in Romania that it has to meet the European norms in handling the issue of the Hungarian national minority in order that it may also expect integration possibilities?

[Tokes] In Romania, the European thinking is only typical of a very narrow group of intellectuals and political elite. However, I cannot say this even about them in the area of the national minority issue! It is astonishing that agreement with the Romanian or Serbian democratic opposition only stands until the national minority issue is raised! [passage omitted] Europeanness with the same meaning cannot exist in the Regat [region in Romania south of the Carpathian mountains] and in Transylvania where we are living on the verge of schizophrenia. For more than seven decades now, rather than Transylvania or Europe lifting up the Regat, Transylvania has been made to descend to the level of the Regat. This is the expansionist policy of a power core from the Regat, hallmarked by Bucharest, which has always treated Transylvania as a colony to be annexed rather than as a sacred area. [passage omitted]

[Pinter] All in all, do you believe that, essentially, inaction would be useful on the Hungarian side at the moment?

[Tokes] No. Autonomy takes us closer to the solution. Hungary and Romania could also get closer to each

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other. Gyula Horn, as is indicated by his letters, supports our autonomy efforts. We would welcome if, using his political opportunities, he gave an impetus to these processes. The point for the Hungarians living in another majority state is to define their own fate as a political subject, implement their limited independence and sovereignty, while fully recognizing the state sovereignty of the given countries. [passage omitted]

[Pinter] On the basis of your value system, what have the Transylvanian Hungarians preserved and what have they lost forever?

[Tokes] The Hungarian nation has lost the territory of Transylvania in a geographical and political sense, rather than physically. The land of Transylvania belongs to those who inhabit it. While we are living there, the land of Transylvania offers us livelihood, and while we fight for our rights, we cannot lose Transylvania. Hungary lost Transylvania but Transylvania can still be seen as the land of the Hungarians who are living there. The tragedy of Trianon was not a one-off act. Trianon is a continuous presence, a continuous reality. It is now that we can finally lose when we assimilate, leave our places of birth, give up our jobs, give up ourselves, when we resign ourselves to our situation. We might lose our last chances in these years. It is very likely that, by the end of the century, the Delvidek [southern area, Vojvodina] will be lost from the Hungarian-speaking area if a solution is not found to the fate of Hungarians living there. Transylvania might be the second victim, precisely now when we have found a chance for holding on. [passage omitted]

Strike Continues; Miners Threaten To Block Roads

AU0208154994 Bucharest Radio Romania Network in Romanian 1300 GMT 2 Aug 94

[Text] Today, on the platform in front of the Targu Jiu headquarters of the Autonomous Pitcoal Corporation, the labor action of the striking miners of the Rovinari and Motru basins, as well as other units of the corporation, continued.

A technical commission of the Ministry of Industry, led by the head of the Mining Department, arrived in the county today to examine the financial possibilities of the corporation in view of finding the necessary resources to meet the demands of the strikers.

The hunger strike by the persons present on the platform in front of the corporation headquarters for several days also continued. The hunger strikers have meanwhile been joined by other miners.

Mr. Marin Condescu, the leader of the strikers sent us the following communique:

Considering the grave health condition of the hunger strikers in Victory Square in Targu Jiu, as well as wish of the other protesters in front of the Autonomous Pitcoal Corporation headquarters, the strike committee has authorized the following things: If by 0900 [0600 GMT] tomorrow, negotiations are not begun with the minister of industry, we will begin the following actions: The protesters in Victory Square, who have come from the Motru branch, are to block the national highway Targu Jiu-Motru and Targu Jiu- Petrosani; the protesters coming from the Rovinari branch are to block the national highway Targu Jiu-Craiova; the protesters of Valcea and Ploiesti branches are to block the national highway Targu Jiu-Valcea. As many as 50 protesters of each branch will remain in Victory Square.

The highways will not be opened until after the arrival of the prime minister in view of defusing the conflict, says the communique released by the strike committee.

Shortly before 1300, at the Autonomous Copper Corporation headquarters in the town of Deva, representatives of the trade unions agreed to engage in dialogue with the negotiation commission, which has been waiting for the talks since 0900. However, the situation has not been defused yet, as the persons on hunger strike are still carrying on with it on the platform in front of the corporation headquarters, while certain extraction units have signalled that their day shifts are prepared to stay on in the mines. The phenomenon of the miners' blocking themselves underground has amplified regarding both the number of persons and the number of units involved.

It was announced that a mediation commission headed by the Industry Ministry will arrive in Deva on Thursday morning, our correspondent Dorin Corpade reports.

General Carp Loses Post as Presidential Adviser

AU0208160194 Bucharest TINERETUL LIBER in Romanian 28 Jul 94 p 1

["Note" by Bogdan Iacob: "General Gheorghe Carp Was Fired From His Position as Presidential Adviser"]

[Text] By presidential decree, Major General Gheorghe Carp was released from his position as adviser at Cotroceni [presidential palace], with the expiration of his transfer there from the Interior Ministry. As is known, Gen. Carp was involved in the famous scandal of information leaks from the Army Higher Council to Senator Corneliu Vadim Tudor's newspaper.

Official Discusses 'Mass Privatization' Methods

AU0308075894 Bucharest AZI in Romanian 19 Jul 94 p 13

[Interview with Iacob Zelenco, president of the National Privatization Agency, by Constantin Mesenschi; place and date not given: "The Road to Privatization Is Paved With Intentions"]

[Text] [Mesenschi] Mr. President, in recent days one phrase has been repeatedly heard "one man—one booklet [of property certificates]—one company." If this

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mechanism is going to be implemented, will it infringe upon the freedom of the citizens to use their property as they desire?

[Zelenco] In connection with the planned method of issuing a single property certificate for each person, who can use it for one single company, I would like to point out that according to Law 114, which initially used to be Ordinance No. 10 issued by the Romanian Government, the Private Property Fund [FPP] is authorized to limit the number of property certificates that can be used by each person to buy the shares of a company. However, this law does not say how many certificates are to be considered the limit. Thus, their number is not given. If they now consider it normal that the limit should be restricted to one single certificate for each person, the government will probably establish that by law, that is by an ordinance, as parliament is now in recess. At the national conference of the PDSR [Social Democracy Party of Romania] they suggested two certificates per person. Some say that five certificates would be more appropriate, while others 10. Such a decision has to be taken by abiding by the constitutional rights and the citizens' right to property.

[Mesenschi] What will those people do, who during this stage of privatization, intend to sell their certificates?

[Zelenco] According to Law 58 on Privatization, holders of property certificates have the following possibilities: They can choose to become direct shareholders of joint stock companies by exchanging their certificates for shares at the FPP. Then they can opt for transactions [with the shares] with physical persons. The law does not forbid anyone to sell or buy the certificates: the only thing is that so far there has been no organized market for this. Until now such things have been done in an unorganized market or through the mediation of certain institutions that appeared later on, such as the Serca, which, in my opinion, are functioning legally. A third option applies to those who do not wish to choose any of the former two variants, and who, after five years automatically become shareholders in the mutual funds, which will emerge from the current FPP.

[Mesenschi] But who would buy such certificates, considering the stipulation that everyone has the right to just a single certificate per company?

[Zelenco] That mechanism is more complex and consists of two distinct stages. During the first stage the employees of companies use a single certificate to buy shares in their own companies, while during this stage other certificate holders are not supposed to come with theirs. After the request for shares of the employees, who according to law have priority, is satisfied, all the other categories of society are allowed to use their certificates, the number of which will be unlimited, although a special method will be used, namely a spiral allotment [alocare in spirala]. The latter means that those who wish to buy shares in a certain company will be put on a list according to the number of property certificates that they wish to invest. That is, those with a single certificate will be put at the top of the list, then those with two certificates each, and then next those with three, four, and more certificates.

The turning of the certificates into shares will be done in the order established by such lists. First they satisfy the requests of those with a single certificate each, then those with two certificates, and so on. Of course, the process will stop somewhere. Those who did not gain access may then opt for other companies that are being privatized. However, this time they will have priority on the list. Nevertheless, all this is a suggestion that is still being examined, as there are several other technical possibilities to solve this issue.

[Mesenschi] Government representatives have said that over 5 million property certificates have been sold by their owners. If the executive disapproved of this, why has it not publicly expressed its view over the past 20 months of its rule? Did it not consider itself involved in the process?

[Zelenco] In my opinion, the FPP ought to have acted much more resolutely on turning the property certificates into shares. That was their foremost task, as each of our institutions that were involved in the process had very clearly defined tasks. The task of the FPP was to turn the certificates into shares.

They should have stimulated the process and should have made it popular via the media, so that the people would have known what the possibilities are to use their property certificates, so that they would not have made use solely of the variant of buying and selling them among physical persons. In its turn, the State Property Fund [FPS] has the task of privatizing its 70 percent share [of the state-owned companies], and the law is quite clear: They should privatize a minimum of 10 percent of the companies or the social capital of those companies each year. This year they have merely privatized 11 percent of the planned 2,368 companies.

One could say that the delays registered in the privatization process have been brought about by both subjective and objective causes, because it took time for certain institutions to become established. Those institutions emerged after the Privatization Law was passed. It took time until they began to function, until they clarified what they had to do, and during this time the market of property certificates has set out for the road, if I may say so, in an unauthorized way.

Today, when the mass privatization process is being initiated, we are facing certain phenomena that actually happened in the meantime. The government wishes to solve these problems both from the technical point of view and the political and social one. Very many arguments of a social nature are being raised, namely that people were unaware of what to do with their certificates. Now they wake up and realize that they do not have

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them any more. It was their right to sell them, but now the government is still trying to mend things for such people as well.

[Mesenschi] What are the envisaged stages of the privatization?

[Zelenco] My reply to this should touch two aspects. One refers to the legislative process, while the other refers to the stages of the privatization process itself. A first stage would be the privatization of about 3,000 companies selected to be included within the first wave of this mass privatization. After that process concludes, a second wave will follow, until we have included all 6,200 companies that have been selected so far.

Another kind of stage refers strictly to the schedule of the privatization process. Thus, within the first stage, over a period of 30 days, for instance, company employees and people who have retired from companies would have the right to express their wish to turn their property certificates into shares in their own companies. After this whole operation intended for them is concluded, what is left of the shares is to be offered to the rest of the population. The employees whom I mentioned before may also join in the process at this stage, if they still have their property certificates booklets, but this time they will have to stand in line, just like everyone else, that is, they will lose their priority. They intend to exchange property certificates up to a limit of 60 percent. So that is another novelty, namely that a part of the shares held by the FPS may also turned into property certificates. That is, 30 percent will come from the FPP and another 30 percent from the FPS. After the process of such transformation of 60 percent of the shares, they will proceed to the selling of the other 40 percent. In case of companies where not all the 60 percent is turned into shares, the remaining ones will be sold for cash, according to the methods already used so far: Open or selective auctioning, and so on.

The process also could be split up into stages from another angle, namely with respect to the logistical preparatory work that is being done on the whole process. We have now reached the stage where we are working out an option form, that is, a document in which we describe the concrete mechanism that has to be followed by the holders of property certificates. They will have to mail us a certificate, a document that represents their option to become shareholders in any particular company. This form arrives by mail to the FPP, where they do the centralization, work out the lists of options, and allot the citizens to the corresponding companies. Following this, they will reply to the citizens confirming that they have been accepted as shareholders of the selected companies. Then they can personally come on predetermined days and places to sign the shareholders' log and take over the shares. We are now preparing the lists in view of the issuing of the new property certificates, which are to be issued additionally. They intend to issue a new coupon, which together with the initial one, is to make up the real value of the property certificates, representing the updated appraisal of the companies' social capital. These new coupons will be distributed according to the same criteria as the initial certificates. They will also be distributed through the mail, the only difference being that this time they will bear the names of their holders. No one but their rightful holders will be able to use them. Thus, it is quite obvious that it will be impossible to sell or buy them, that is, they can be used only to be converted into shares in joint stock companies.

[Mesenschi] Have the companies that are to pass through all those stages already been selected?

[Zelenco] Yes. We are at the stage of finalizing the list. A meeting was organized at the National Privatization Agency headquarters of the FPP and the FPS. Each of the participants came with its own suggestions, and now we are at the stage of centralizing them, after which we will present the list to the government. The companies' number might exceed 3,000. Of course, among them there are also companies that may be sold entirely as such. We have started out from the idea that this first tide of privatization should include companies operating in sectors where the state should no longer be present. I am referring to tourism, commerce, the food industry, and edible oil, canned fruit and vegetables, and soft drinks production. Then there are wood processing, light industry, building materials, cosmetics factories, computers, research and development, and foreign trade. There will also be companies working at a profit from other sectors of the national economy, such as the machine-building industry. Both in the case of small or medium-size companies and in large-scale companies the principal criteria is profitability and, practically speaking, they cover all the economic sectors. There are no reasons why the state should be present to such an extent as now in sectors such as the light or food industry. The list of companies is intended to cover the entire territory of the country, so that in all the cities, and even in smaller towns, there should be companies undergoing this first stage of privatization.

[Mesenschi] What will be the updated value of the booklets of property certificates?

[Zelenco] I cannot state any figures, because that is the task of the Finance Ministry, and therefore I might be completely wrong. Nevertheless, judging from the talks we have had on the basis of the figures shown by appraisals, it may amount to over 1.5 million lei. However, this is a wholly notional estimate, and I would like everyone to bear that in mind.

[Mesenschi] What will those citizens do who have already made use of their property certificates in the privatization process of certain companies?

[Zelenco] No decision has been taken yet whether or not to issue new property certificates for them as well.

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Normally they should not be issued new ones, as they have already made use of their right with the real value of the certificates. They have bought shares at the real value of the companies' social capital, so the issue of recalculating that value need not arise. However, technically speaking, it is difficult to separate that group of the population. My personal opinion is that we should issue everyone with new certificates, or else we will be facing an impossible task. Even if, theoretically speaking, the separation of that group of citizens would be correct, I do not see any way—not for the time being—in which such a separation could be effected.

[Mesenschi] One might say that the whole mechanism has already been set up, so what is needed now is to establish the necessary legislative elements for its utilization. When will this privatization action actually begin, how long will it last, and, above all, do you consider that it will really accelerate privatization in general?

[Zelenco] The process is intended to begin on 1 September. Currently we have reached the stage of working out certain technicalities that could allow us to begin implementing it. For instance, even if not all the forms and certificates are printed and distributed, the process should still begin. As for when we expect it to conclude, this is difficult to foresee and it also depends on what one is referring to. Now we will be initiating the privatization of 3,000 companies. Their privatization will depend on a number of elements: How much capital is available in the country, how profitable the companies are, and how eager the citizens are to become shareholders. One has to distinguish between submitting the companies to privatization and them actually becoming private companies. One of the things that will most certainly be achieved is that in the case of very many companies there will be a change, at least, in the weight of the state sector compared with the private one. If we manage to accomplish that shift to the benefit of the private sector, it will mean that a great step forward has been made in privatization and transition. This is so because such a step would allow us to make entire economic sectors and very many companies operate according to the principles of the market economy. In the second stage all we would have to do is see why in certain cases they did not manage to sell the entire quantity of shares and, taking those reasons into consideration, to devise appropriate strategies. However, it is very important that the first step is accomplished. That is, it would be sufficient if we could alter the weight of the state and the private sectors. That would mean that we are already proceeding on the road to privatization.

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Krajisnik: Milosevic Ignores 'Vital Interests'

LD0208152194 Pale Srpski Radio-Televizija Studio Sarajevo Radio in Serbo-Croatian 1400 GMT 2 Aug 94

[Interview with Momcilo Krajisnik, president of the Bosnian Serb parliament, by unidentified correspondent; place and date not given—recorded]

[Text] [Krajisnik] The president of the assembly has been authorized to call a referendum, but that decision will be ratified at a session of the People's Assembly. We have decided to convene an extraordinary session of the People's Assembly at which we will adopt our final stance toward the Contact Group's peace plan.

[Correspondent] There is a great danger of the Serbian nation breaking up. I am primarily referring to the statement by Serbian President Slobodan Milosevic that the Serbs in Bosnia should accept the Contact Group's peace plan. Can you comment on his statement?

[Krajisnik] What I can say is that we hold in high esteem both President Milosevic and President Momir Bulatovic of Montenegro, as well as the assistance of the Serbian people in Serbia and Montenegro and their political leadership. However, we were concerned by President Milosevic's statement, because there is a difference in the views on the problem between the Serbs in the Srpska republic and the Serbs who are today suffering the worst sanctions imposed against any nation in the postwar period. We understand them and can accept all their suggestions up to the minimum, up to the level after which the vital interests of the Serbian nation are threatened.

I personally believe that this map does not make it possible for anyone to say that we have been given a state. We were given some remnants of the former Bosnia-Herzegovina, bits and pieces that are very difficult to be viewed as a whole. Territorially, there is no state there. It is true that we must work for peace. There has been enough war in this region. There have been many victims, and a lot of Serbs have lost their lives. But, we also must consider it from a different angle: if the Serbs have fallen for freedom, then they must get a state, and 20 towns cannot be handed over at the negotiating table and then say: here, we have a state. In a way, we can say that we have a state only if it covers a compact territory and if we are independent.

Serbs Return to Positions Within Gorazde Zone

AU0208192994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 2 Aug 94

[Text] According to reliable information, a large column of the aggressor's armored vehicles has arrived in the village of Kopaci in the vicinity of Gorazde. Kopaci is situated barely 2 km from Gorazde. The aggressor army's column reached Kopaci in the night between 30 and 31 July. In addition to this hardware, the aggressor has already brought in more manpower, heavy artillery, and attendant technology. Moreover, the aggressor has returned to his previous positions throughout the 20 km exclusion zone around Gorazde. Columns of the aggressor's army are regularly being dispatched to the area, particularly from the direction of Foca. It is interesting to note that British troops are observing the return of the killers to the scene of the crime without any reaction, reads the statement issued by the Bosnia-Herzegovina Army Press Center.

Izetbegovic Asks Butrus-Ghali To Prevent Attacks

AU0208193394 Paris AFP in English 1914 GMT 2 Aug 94

[Text] Sarajevo, Aug 2 (AFP)—Bosnian President Alija Izetbegovic on Tuesday asked UN Secretary General Butrus Butrus-Ghali to prevent possible attacks on the eastern Moslem enclave of Gorazde, Bosnian radio reported.

In a letter sent to Butrus-Ghali, Izetbegovic warned that Bosnian Serbs have been moving heavy artillery and troops around Gorazde.

The North Atlantic Treaty Organisation in April issued an ultimatum to the Serbs to withdraw their heavy weaponry from a 20 kilometre radius from the centre of Gorazde town or face air-strikes.

Izetbegovic claimed the Serbs have brought back their artillery into "old positions" in the exclusion zone.

A week ago first reports on the violation of the total exclusion zone around Gorazde came from the UN Protection Force (UNPROFOR). The peacekeepers asked for strengthened air-reconnaissance of the area, but the results of it remained restricted military information.

Major Rob Annink, a spokesman for UNPROFOR, admitted Monday that the heavy weapons were moving "in and out" of the exclusion zones around Gorazde and Sarajevo.

The Sarajevo exclusion zone was imposed by NATO ultimatum in February.

The reason why UNPROFOR was not taking any stronger action but merely registering the violations was because "the balance has not been disturbed in the areas," said Annink.

Meanwhile, Bosnian Serbs fired artillery rounds Tuesday in the areas of Breza and Visoko, towns 20 and 30 kilometres (12 and 18 miles) northwest of Sarajevo respectively, said UNPROFOR.

Two Canadian UN soldiers based in Visoko were disarmed and detained by the Bosnian police in the town "for being out of the boundary area" Tuesday, said UNPROFOR.

Liaison officers have been trying to solve the problem but no news was available Tuesday evening about the status of the Canadians.

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Sarajevo Airport Talks Reach Accord on Snipers

AU0208203094 Paris AFP in English 2013 GMT 2 Aug 94

[Text] Sarajevo, Aug 2 (AFP)—Bosnian Serbs and the Sarajevo government said Tuesday they had reached an agreement in principle to silence snipers that have been terrorizing the city recently.

Negotiators from the two sides emerged after more than three hours of UN-brokered talks at Sarajevo airport saying the agreement should be ratified Wednesday following talks between military officials from the two factions.

The two sides also discussed exchanges of prisoners and the possibility of reopening roads closed by the Serbs last week in what amounted to a reimposition of the siege of Sarajevo.

Witnesses Report Explosions in Sarajevo

AU0308101794 Paris AFP in English 0913 GMT 3 Aug 94

[Excerpt] Belgrade, Aug 3 (AFP)—[Passage omitted] In Sarajevo, witnesses said the demarcation line dividing the government and Serb-held parts of the city was rocked overnight Tuesday [2 August] by a series of heavy explosions, after the worst day on record for ceasefire violations.

UN Protection Force officials counted 706 incidents around the Bosnian capital, encircled by Serb forces, Lieutenant-Colonel Bertrand Labarsourques said. The figure was the highest since the recent rise in tension around the besieged city, well beyond the daily average of 200 incidents seen throughout July. A ceasefire agreement has been in place in Sarajevo since February but has failed to halt sniper and automatic weapons fire.

Bosnian Government and Serb commanders agreed in principle at talks held here Tuesday to silence the snipers who have been terrorizing the city since early July. Negotiators in the UN-brokered talks said the agreement should be ratified by their political leaders Wednesday.

Heavy explosions were heard overnight around the city's Holiday Inn hotel.

UN officials refused to say where they thought the explosions had come from or what type of weapon could have caused them. In February, the UN imposed a 20-kilometre (12 mile) heavy-weapons exclusion zone around the city.

UNPROFOR spokesman Rob Annink said Serb forces had Tuesday attempted to take control of arms held under UN control in Poljine, north of Sarajevo.

They were intercepted by French UN troops, he said.

The UN Security Council was meanwhile preparing to toughen sanctions against the Bosnian Serb's patrons in Belgrade and to toughen action against the Bosnian Serbs if they continued to reject the international peace plan for the country.

Army Attacks Lose 'Intensity' in Northern Bosnia

LD0208224694 Belgrade TANJUG in English 2234 GMT 2 Aug 94

[Text] Doboj, August 2 (TANJUG)—Moslem units continued attacks on the Serb positions and civilian targets on the fronts in the broader area of Doboj, northern Bosnia, but the intensity of the attacks was weaker, Bosnian Serb military sources set out Tuesday night.

The strongest attacks were reported in the area of the town of Teslic, southwest of Doboj, where the Moslems, coupled with NATO planes' overflights, used 120 mm mortars to fire on the Serb positions and civilian targets on the southern part of the front.

On the Teslic front, the Serb fighters detected and destroyed a Moslem reconnaissance and saboteur group, a statement said.

Moslem forces opened small arms fire and used rifle grenades occasionally in the Trebava area, east of Doboj, as well as on the Mt. Ozren and Vozuca fronts, south of Doboj.

Serbs Say NATO Aircraft Dropping Chemicals

LD0208133994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1243 GMT 2 Aug 94

[Text] Bileca, 2 Aug (TANJUG)—Last night, just after midnight, four NATO aircraft dropped poisonous chemicals on Serb positions on the Mostar-Nevesinje sector of the front, the command of the Srpska republic army's Herzegovina Corps claims. The consequences are now being dealt with, a short statement just issued by the command says. Locations targeted with chemical weapons are not mentioned in the statement, and so far no details about casualties among civilians or soldiers have been released.

UNHCR Halts Humanitarian Aid Convoys

LD0208122594 Belgrade TANJUG Domestic Service in Serbo-Croatian 1154 GMT 2 Aug 94

[Text] Zvornik, 2 Aug (TANJUG)—A humanitarian convoy for Zepa was announced for today and was granted permission to pass through Serb territory, but it failed to arrive at the left bank of the Drina River at the scheduled time, TANJUG learned from the command of the Zvornik garrison of the Srpska republic army.

According to the same source, all UNHCR humanitarian convoys going to the Muslim enclaves in Podrinje through Srpska republic territory have been suspended since last week.

Several UNHCR convoys were announced in that period, and the relevant coordinating body of the Srpska

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republic government allowed them to cross Serb territory in due time and according to the regular procedure.

Officials at the command of the Zvornik garrison stress that the Serb side has not been officially informed about the reasons for the latest suspension of the humanitarian convoys. However, there have been similar occasions before when the delivery of humanitarian aid was suspended, usually at a time of heightened threats from abroad and pressures on the Serb side, or during NATO air force combat actions against the Serbs.

Mostar Zone Checkpoints, Council Formed

LD0208140794 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 2 Aug 94

[Text] An advisory council which will help EU [European Union] administrator Hans Koschnick administer the town has been set up in Mostar. Zdenko Vranjes reports:

[Vranjes] In addition to the mayor, Mijo Brajkovic, the Croat side appointed Mile Puljic, Ivo Bradvica, Boro Puljic and Frane Ljubic to the advisory council. The Muslim side also appointed five representatives, while the Serbs from Mostar have three representatives and the Jews one. Hans Koschnick will later appoint one member of the council from a mixed marriage.

One Croat and one Muslim assistant to the head of the EU police force in Mostar have also been appointed to the advisory council, which will deal with legal, economic and financial issues in the area under European administration. The Croat representative is Mladen Albeza.

A mixed commission, consisting of representatives of the HVO [Croatian Defense Council], Bosnia-Herzegovina army, UNPROFOR [UN Protection Forces], EU and European military observers, whose task it is to supervise the process of the demilitarization of Mostar, has adopted additional regulations whereby only four HVO and four Bosnia-Herzegovina army officers with special authorization, and four vehicles of each of the two armies' commands will be allowed to stay in the EU administred zone. A red HVO route has also been established within the EU zone, linking Buna with Citluk, Siroki Brijeg, Mostar's hospital and Vrdi. HVO vehicles with a special permit and a UNPROFOR escort are allowed to use the route.

In order to supervise the implementation of the agreement on the demilitarization of Mostar, UNPROFOR has erected four checkpoints at the exits from the town, that is, from the EU administred zone. In order to prevent their own soldiers from violating the agreement on demilitarization and unregistered vehicles from entering the zone, the HVO has decided to set up its own checkpoints next to those of the UNPROFOR, the political department of the Defense Ministry of the Croat republic of Herceg-Bosna announced today. The HVO military police will be accompanied by Herceg-Bosna's civilian police at the four checkpoints at the exit from Mostar.

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UN: RSK Tanks 'Apparently' Deployed on Border

AU0208152794 Paris AFP in English 1511 GMT 2 Aug 94

[Text] Zagreb, Aug 2 (AFP)—Tanks belonging to separatist Serbs in the eastern Croatian enclave of Krajina were "apparently" deployed Monday on the Bosnian border, an UNPROFOR [UN Protection Forces] spokesman said here Tuesday.

Three tanks belonging to Krajina Serb forces, stored in a hangar under the terms of a March ceasefire agreement, were removed and deployed on the Bosnian border, UN Protection Force spokesman Paul Risley said without going into detail.

UNPROFOR "notes with concern" this breach of the Zagreb Agreement, the spokesman said.

Risley said four other Serb tanks were deployed in a separation zone between Croatian forces and Serb separatists in the east of Croatia, one of four sectors placed under UNPROFOR protection.

According to the terms of the ceasefire signed March 30 between Croatia and separatist Serbs, the two parties were to withdraw their tanks 20 kilometres (12.5 miles) on each side of the separation line.

The agreement stipulated that the zone between the two lines would be under exclusive UNPROFOR control.

Meanwhile, UNPROFOR staff and convoys continued to face "unacceptable" restrictions to their freedom of movement in Croatia, Risley said.

Seven UNPROFOR checkpoints now controlled by the Croatian government, out of a total of 21, were open early Tuesday, but a written authorisation from Croat authorities was necessary to get across them.

Displaced Croatians, demanding a return to regions now held by Serbs, began blocking UNPROFOR checkpoints between zones under Serb control and the rest of Croatia on July 1. They accuse UNPROFOR of favouring Serb separatists in Croatia, by supplying them food and fuel.

Barriers were raised at seven crossing points last week, after Croatian Prime Minister Nikica Valentic intervened.

Negotiations between UNPROFOR and Croatian authorities to obtain free passage for UNPROFOR at all 21 crossing points were continuing, Risley said.

UN Protests Croatian Police Blockade

LD0208213394 Belgrade TANJUG in English 2050 GMT 2 Aug 94

[Text] Knin, Aug 2 (TANJUG)—A United Nations spokesman said Tuesday that Croatian police were restricting the movement of U.N. peacekeepers in Croatia.

U.N. Spokesman Alan Roberts said U.N. Protection Force [UNPROFOR] personnel at seven crossing points between Croatia and the U.N.-protected Krajina region were continuing to have difficulties because of the blockade started July 1 by Croatian police and refugees.

The Serbs in Croatia declared the independent republic of Serb Krajina in 1991, when Croatia seceded from the former Yugoslavia and removed Serb national rights from the Croatian constitution. The Serb areas were designated a U.N.-protected area in 1992.

Roberts said that near the Serb Krajina capital of Knin, 400 Polish U.N. troops had been blocked for two days on board a train trying to move from one U.N. sector to another. U.N. representatives have said the blockade is being organised by Croatian authorities.

Croatian authorities maintain that the blockade has been independently organized by Croatian refugees from the republic of Serb Krajina. Zagreb has taken no action to lift the blockade.

Krajina Serbs say the blockade is being used as a cover to build up Croatian forces for a future attack.

Roberts said that the movement of 15 Croatian tanks had been observed north of the adriatic city of Zadar, and that, contrary to the usual procedure, UNPROFOR had not been informed about the move.

Roberts also said UNPROFOR had since July 30 received three Croatian protests that Serbs were digging bunkers in the buffer zones between Krajina and Croatia, but had determined that all three protests were unfounded.

Roberts said that because of the blockade, UNPROFOR had started purchasing food in the Krajina towns of Knin and Benkovac for 4,500 of its troops at a cost of 10,000 U.S. dollars a day.

Roberts said food was also being flown in by helicopter to peacekeepers in other regions.

Serbs Seize Weapons From UN-Controlled Dumps

LD0208174694 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 2 Aug 94

[Text] As has been confirmed at the UN Protection Force [UNPROFOR] headquarters in Zagreb, the Serbs in occupied areas of Croatia have in recent days again seized weapons from dumps under the control of the protection forces. They deployed four tanks yesterday in the demarcation zone with the Croatian Army in Sector East and another three tanks on the border between Croatia and Bosnia, according to UNPROFOR spokesman (Paul Risley).

The chetniks had earlier seized 20 tanks and some other heavy weapons to provide support for Fikret Abdic's forces.

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RSK Seeks Normalization of Relations

LD0208170494 Belgrade TANJUG in English 1635 GMT 2 Aug 94

[Text] Belgrade, Aug 2 (TANJUG)—Republic of Serb Krajina parliament President Branko Vojnica said Tuesday Krajina wanted to normalise its political and economic relations with Croatia as soon as possible.

Vojnica said in a letter to U.N. Secretary-General Butrus Butrus-Ghali that there was no reason why political and economic relations between Krajina and Croatia could not be normalised, based on respect for their equality and territorial integrity.

Krajina Serbs declared independence in 1991 after Croatia seceded from the former Yugoslavia and Serb national rights were removed from the Croatian Constitution.

Vojnica enclosed in the letter to Butrus-Ghali, a copy of which was sent to TANJUG, the text of a declaration adopted by the Krajina parliament on July 20 on the implementation of the Krajina-Croatia agreement on the cessation of hostilities, signed in Zagreb March 29.

The declaration stated Krajina's readiness for the resumption of the peace process and further cooperation with the U.N. Protection Force.

It called on the U.N. peacekeepers consistently and in full to fulfill their obligations, i.e. to take up positions in the zone separating the two sides, to use helicopters to monitor a 20-kilometer wide area on the Croatian side of the line of separation, and to prevent croatian attacks on Serb villages in the buffer zone.

The declaration called for full control of military airfields in Croatia. It insisted that the U.N. Security Council be kept informed about the Croatian violations of a U.N. embargo on arms deliveries, and urged effective control of the implementation of the arms embargo.

Vojnica said in the letter that Krajina had presented the initiative for the resumption of the peace process to the U.N. through U.N. special envoy Yasushi Akashi.

'Heavy Fighting' Reported in Brcko Area

LD0308103694 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 3 Aug 94

[Text] A general alert was sounded shortly before 1000 hours in Gunja, a village near the Sava river in the southeastern part of the Zupanja municipality. Chetniks from the occupied Brcko area targeted the village with three destructive shells, but fortunately no one was injured in the attack. The situation in other parts of the Zupanja municipality along the Sava river is quiet. However, the population is advised to be cautious because of possible artillery attacks.

Since early morning, strong explosions can be heard in Gunja, confirming that heavy fighting is taking place in the Brcko area.

War Experiences of 57th Brigade Outlined

94BA0363C Zagreb HRVATSKI VOJNIK in Serbo-Croatian 6 May 94 pp 22-24

[Article by Sinisa Haluzan: "Sisak's Heart on Front Line"]

[Text] *The backbone of the 57th Brigade of the Croatian Armed Forces [HV] known as "Marijan Celjak," which was organized one year ago, is the people who during the first and hardest days of the homeland war bore the greatest burden of what was happening in the Sisak region and its immediate environs. Today, the brigade is continuing the traditions of the first volunteer unit, the 57th Independent Battalion, which adopted the name of its deputy commander, who was killed in an deceitful way.*

After a little less than a year, the road took us once again toward Sisak, the city some 50 km from Zagreb that during the homeland war, especially during the turbulence of 1991, was also the front line of defense for the capital. The city with a turbulent and rich history, throughout which many have attempted to capture it, from the Turks four centuries ago to the latest Serb aggression in 1991, has always withstood such conquerors. Thus, it is not immodest to say that Western civilization has been defended on its banks of the Sava and Kupa Rivers. The events that began to unfold in this region during the summer months of that year, as well as the brave resistance of the populace of this area, were just one more demonstration of its endurance. This reunion with Sisak provided an occasion to meet up again with people who have become interwoven with history through these turbulent events. The core of these people comprised individuals who upon the onset of aggression assumed the greatest risk and the burden of organizing resistance to the aggression, and who today form the backbone of the unit called the 57th Brigade of the Croatian Armed Forces, "Marijan Celjak." In the words of its commander, Colonel Matija Pavlovic, the brigade was formed a year ago, on 1 April 1993 to be precise, by merging units that had been dissolved, such as the 120th Brigade, the 57th SAMB [expansion not given], the Mixed Antitank Artillery Battalion, and the Sisak Military Police. But it is impossible to talk about the history and combat experience of this brigade without returning to the first days of aggression against the Republic of Croatia in this region.

It is important to emphasize several facts that make this brigade somewhat different from other brigades of the HV. This is the only brigade that was named for one of its fallen members, deputy commander Marijan Celjak, thus continuing the tradition of the homonymous 57th Independent Battalion and of the 1st Volunteer Unit. The brigade is largely composed of people from the Sisak area and from surrounding towns in the Sava basin.

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We get our first information about the creation of the 1st Volunteer Unit and the events at the beginning of the war by talking with Major Stjepan Kolarc, and a little later with Mr. Ante Bobetko, its first commander. Mr. Bobetko emphasizes the importance of organizing defense during the first days of aggression, when Croatia still lacked an armed force, aside from the police, that would be able to successfully withstand the aggression. Organizing volunteers was of critical importance because the police, as the only armed force, was forced to bear the enemy's first blows. The city itself, as well as its industrial installations, were unprotected, so that members of the People's Defense assumed obligations that are otherwise carried out by the police: guard duty, protecting property, and so forth. The situation at that time was extremely bad, and not only because the enemy was continuously attacking nearby towns of exceptional strategic importance, such as Komarevo and Sunja, but also because the Yugoslav army was still at their rear, in the city itself and even in Zagreb. The date 26 June 1991 is accepted as the day on which this unit was founded, and that was the day on which its members took up their first positions on the front: in Brest, Vurot, Stara Drencina, Sunja, and Komarevo. Today, it is utterly clear how much of a role in this was played by Corps General Janko Bobetko, who, conscious of his familiarity with and later confirmed knowledge of military strategy, pointed out the need for firm entrenchment at the battle front, especially at Komarevo. The Yugoslav generals were also well aware of the fact that "whoever holds Komarevo holds Sisak too." The fall of Sisak would leave them an open road to Zagreb.

The shortage of both infantry and antitank weapons was one of the biggest problems. Nevertheless, like everything else this problem had to be solved "as they went." The first mortar and two machine guns were received as donations, while the Sisak 55th LAD [Light Artillery Battalion] was equipped with 20- and 40-mm PZT's [expansion not known] that the Yugoslav Army left behind at "Zeljezara" in Sisak. Aside from 60 hunting rifles and 40 automatic rifles, that was all that was available for use against the enemy. Bombs and other explosive devices were produced by a "cottage industry," which is largely to the credit of Mr. Ante Zivkovic, who acquired explosives wherever and however he could. But there were clearly three events that were of critical importance to the further course of war events in this region. They were the occupation of three military facilities: the "Barutane" Barracks of the Yugoslav army, the missile base in Zazina, and the radar base in Sasna Greda. The occupation of "Barutane" is still fresh in the memory of Maj. Stjepan Kolarc, who always emphasizes with pride that that was in fact the first barracks to be captured in Croatia. With 20 people whom he himself led and 20 people led by Josip Sikic, the commander of the 55th LAD, the barracks were surrounded on 2 September. By negotiating with Captain Dalcekovic, the commander of the barracks, the two of them succeeding in effecting the peaceful surrender of the barracks, with no casualties. The Zazina missile base was also captured without major problems, but during the capture of the radar base in Sasna Greda reason did not prevail among the Yugoslav officers, so that there were casualties, including deputy commander Marijan Celjak. That base was of great importance because Yugoslav aircraft were guided from there against targets in Sisak and environs, especially Komarevo. After the barracks were surrounded, negotiations led by Marijan Celjak and Josip Sikic were begun. It was agreed that as a sign of surrender two white missiles would be fired, a settlement that was accepted, but under the condition that the Croatian fighters pull back 50 meters from the barracks. Although dubious, the condition was accepted, although not in the way proposed by the Yugoslav officers. The only possible access to the barracks was by the road leading to its entrance. To the left of it was a corn field and to the right a forest. To the Yugoslav officers, it was logical that the Croatian soldiers would hide in the woods and avoid the exposed position in the corn field. Commander Ante Bobetko then decided to deploy them in the corn field after all, which several minutes later proved to be a completely appropriate decision. Less than 17 minutes after that shift, yellow and red missiles were fired from the barracks, after which two aircraft appeared in the sky, bombing the Croatian positions. Their missiles and machine guns peppered the adjacent woods. Because of the commander's right decision, the lives of the fighters were saved, aside from eight wounded. But at that moment a drama was taking place right at the entrance to the barracks, a drama that left its imprint on the further history of this unit. At the same time that the air attack began, Marijan Celjak was mortally wounded by sniper fire. Still, the deceitful plan to set a trap did not succeed. Not even renewed aerial bombing the next morning at 0700 saved the radar base from its fate. Recognizing the hopelessness of their position, the Yugoslav soldiers evacuated by helicopter, together with their families. It is also necessary to emphasize here one exceptionally humane action by the Croatian defenders, especially by Marijan Celjak himself, who knew that there were family members of Yugoslav officers at the base and attempted to effect the surrender of the barracks through negotiation. The word "humanity" was obviously unknown on the other side at the time, and in fact it has remained so to this day. Whatever the case, Sasna Greda fell on 19 September 1991.

What has changed today, three years later? In order to get an answer to that question, we set out for the front line with the commander of the brigade, Col. Matija Pavlovic, and Colonel Peer Schwan, a German military envoy. Our first destination was Klobucak, right next to Komarevo, where the signs of intense fighting can still be seen. Col. Pavlovic explained that the Croatian side has fulfilled all its obligations from the Zagreb agreement, but that the opposing side does not exactly respect it all the time, of which we were personally convinced the following day when we watched the enemy calmly removing building materials from a house where they

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should not have been under the terms of the agreement. During our stay in Komarevo, we also met Captain Josip Markovic, the commander of the 1st Battalion, and his deputy commander, 1st Lieutenant Zeljko Srpak. The old acquaintanceship from the somewhat—so to speak—"more turbulent" times was transformed into an analysis of the time—the years and months—that have passed. And it is precisely because of that conversation that the word "somewhat" must be emphasized. In fact, it is not exactly "somewhat." These are facts. This is an irrefutable segment of Croatian history. Just maybe, someone will ask why. Anyone can find the answer to that question in Sisak, Sunja, Komarevo, Brest, Vurot, Blinjski Kut, Bestrma, Kinjacka, Madjari, Klobucak....

Perhaps, if nothing else, the view of Petrinja at a distance of 11 km is enough. Looking at the city, which used to have its St. Lawrence's Church, its streams, its soul.... Like all the occupied territories of the Republic of Croatia, that city today has nothing, aside from those who want to go home. For an utterly simple reason: because it is their city. Petrinja's fate was similarly intended for Sisak. The members of the 1st Volunteer Unit, today the 57th Brigade of the Croatian Armed Forces, together with all of Sisak, have never allowed that, and never will!

Successes of 2d Guard Brigade Described

94BA0363B Zagreb HRVATSKI VOJNIK in Serbo-Croatian 6 May 94 pp 19-21

[Article by Vesna Puljak: "'Thunder' From Banija"]

[Text] *It was in Banija that the 2d Guard Brigade was first used in combat in the fall of 1991, and it also returned to Banija in the fall of 1993. It now has a wealth of combat experience behind it, and it faces other challenges, new tasks in training and raising its combat readiness, heightening discipline, learning about new types of modern weaponry....*

Their day begins with morning training and the obligatory run, and then they set out for the grounds several kilometers from the base, where they conduct mandatory infantry tactical training for several hours a day. The goal of these activities is to raise and maintain combat readiness at a level that does not tolerate mistakes and that is the hallmark of elite guard brigades, among which an unmistakable place is occupied by the 2d Guard Brigade, the "Thunders."

The infantrymen are the backbone of every brigade, including this one. They are the most numerous, the most exposed, and the most unprotected elements, and for that reason physical preparedness and endurance are exceptionally important, as is the ability to handle various types of infantry weaponry. That demands daily work and requires exceptional exertion and dedication, but also yields results when they find themselves in the brutal reality of war. One of the subjects of the daily training sessions where we met a few "Thunders" is the combat unit in the reconnaissance patrol. With inaudible footsteps, signaling only with arm movements, wading across water, crawling in order to follow natural embankments, they approached the imaginary enemy. Although this is only an exercise, the soldiers must become entirely accustomed to it, because every future action in genuine danger depends on how they master the exercise right now on the testing range.

This picture is repeated every day, and once a week there is an obligatory 20 km march. Today, these are the regular activities of the "Thunders"—the brigade whose firm foundations of organization and training were laid back in June 1991. If we were to assess right now what the foundations of the combat success of the 2d Guard Brigade were, we could say without any qualms that they were the top-notch training status of its fighters, the successful mastery of all war skills and know-how, their first-rate physical endurance, and the execution of all commands that the fighters of the 2d Guard Brigade regarded as a pledge to the homeland.

The brigade's wartime experience began in the Banija region, notes Colonel Vlado Sindler, the deputy commander, and they returned to Banija in the fall of 1993, with countless battles behind them, bringing with them scars but also successes.

The 1st Battalion was established in early June 1991 and set out on its first combat mission in Lika, at Ljubovo. After successfully repelling attacks in the summer of 1991, they arrived in Banija and took part in the fighting at Glina, Topusko, Petrinja, Vidusevac...; in only one day, at Farkasic, they destroyed 16 enemy tanks and captured four. The 2d Battalion was established one week later, and very soon after its founding part of the battalion left for Glina to liberate the police station there. In order to get near it, their only option was to force the Glina River, which they did to the general surprise of the enemy, after which they entered the town. The 2d Company of the 2d Battalion moved to Kozibrod and took up defensive positions in the surrounding Croatian villages. In mid-July, together with the Lucko Antiterrorism Unit, they entered Kraljevcane. The main force of the battalion then set out for Komarevo and Sunja. In order to get their own supply of arms, members of the 2d Brigade took part in the capture of the enemy barracks in Varazdin in early September. Better-supplied and more determined than before, they supported a series of successful actions in November and December, among which the most successful was the liberation of St. Catherine's at Glinske Poljane. The 3d Battalion was established on 21 June and after several days of preparation it set out on its first mission at Topusko, where it took up positions in surrounding villages. During the same period, part of the personnel distinguished itself in the fighting around Karlovac, especially the Turanj Bridge, and in the liberation of the Logoriste Barracks.

The experience and successes in Banija are supplemented by new ones wherever members of the 2d Guard

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Brigade have been sent. They have reinforced the battle front and repelled the enemy in locations from eastern and western Slavonia, Lika, Kordun, and Banovina to the southern Dalmatian and Zadar-Novigrad fronts. They arrived at the southern Dalmatian front in July 1992 during the Dubrovnik blockade and remained there until early 1993. In the very first campaign with the 4th Brigade, they pushed the enemy back from part of the Dubrovnik River and Golubovi Kamen, after which the road to Dubrovnik was passable again. The members of the 2d Brigade carried out their greatest number of offensive campaigns in this region, the most significant of which was the capture of the dominant elevations, because whoever held them had the advantage. They remember the Dubrovnik front as the most difficult one because that is where they suffered the largest number of losses, but it was precisely through the capture of those hilltops that they affirmed and once again demonstrated to us their bravery and resolve; among others, this applied to members of the 2d Battalion of the 2d Brigade, under the command of Major Predrag Matanovic, which was remembered from the Banija front under the military nickname "Banija Storm."

After Operation Maslenica, the combat unit of the 2d Guard Brigade under the command of Colonel Draga Matanovic was sent to the Zadar theater of operations, where it reinforced the front at Novigrad. Thanks to it, together with other units of the Croatian Armed Forces, Novigrad was not only not lost, despite fierce attacks; the front was even made stronger, which contributed to the success of the overall campaign.

Also still freshly imprinted in memory are the events of last fall on the Banija front when rebel Serbs attacked Sisak and the industrial zone with artillery. As in the fall of 1991, the 2d Brigade held the front once again. This was the first time that enemy positions were crushed before twice as many shells which they themselves launched. The "Thunders" handled this very well, a fact that is confirmed by the silenced tanks that have not been heard from again to this very day.

Now that the battlefields are behind them, they remember with sadness the fellow fighters that have been lost and with pride the missions conducted with supreme competence. For the first time, all of the "Thunders" are together at the base, and it is with no less enthusiasm that they tackle new missions, taking advantage of maximum time for training of commanders as well as guardists, for strengthening organization and raising the combat readiness of all the parts of the brigade. During this period, part of the brigade has undergone specialized commando training on the testing range for training special units, achieving very good results and demonstrating that they can be measured against the very best.

Unlike in 1991, the weapon systems and tactics are not an unknown factor; what has not changed or been in any way disrupted since then is the high level of awareness and the unshaken morale, but that is something that cannot be in short supply among those who voluntarily join this type of brigade. Starting out equipped with patriotism, desire, and bravery, and with very few weapons, they have come a long way since then. Not only in terms of training, but also in strengthening discipline, without which there can be no success, something that the fighters themselves know. They adhere to the motto that doing the job is the most important thing, while Col. Sindler will say that it is in fact the fighters who have borne the heaviest burden in the homeland war. Thus, they should be given recognition and there should be no doubt when they tell us, with good reason, that the 2d Guard Brigade "is taking care of you and dying for you."

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Party Positions on Social Policy Compared

94BA0361A Skopje NOVA MAKEDONIJA in Macedonian 9 Jul 94 p 14

[Article by Mileva Zlatanovic: "Range of Complaints and No Vision"]

[Text] *Both the state and individual parties are displaying a strictly declarative attitude concerning social policy, as revealed by the interpretation of this policy in their programs, which are merely a collection of various demands set on paper, lacking any specific approaches or ways and means of resolving or implementing them.*

In developed parliamentary systems and countries in which the multiparty system is decades old, and where the economic base of the state is firm, the greatest emphasis in attracting the voters is placed on issues of social policy. In other words, social policy is the most important feature in electoral campaigns. This means that in their programs the parties describe above all the type of policy and try to introduce in their programmatic stipulations as many social issues as possible, thus enabling individuals or groups to become familiar with such issues and therefore with the party whose program offers solutions related to their social status. The Macedonian [FYROM—The Former Yugoslav Republic of Macedonia] political parties as well deal with issues in the social sphere and social policy. But their attitude toward social policy in general and whether they will be able to define this policy in such a way as to structure the framework of a social policy remains a subject of discussion. The reason, above all, is that generally all programs are related to the economy and privatization, whereas social issues are included only to the extent necessary to control social tensions.

"Yes" to the Social State

According to Dr. Pande Lazarevski from the Institute of Sociological and Political-Legal Research, what the political parties, particularly those represented in parliament, demand consists of a large collection of complaints without explanation as to how to resolve them. All in all, the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity], SDSM [Social Democratic Alliance of Macedonia], LP [Liberal Party], SPM [Socialist Party of Macedonia], and PDP [Party for Democratic Prosperity], as described in Lazarevski's "Programmatic Concepts of Dominant Parliamentary Parties in the First Multiparty Elections in Macedonia in Connection With Issues in the Social Sphere," emphasize the concept of the social state. However, this emphasis is only declarative and this effective concept is included, above all, within the framework of views on social policy and its attitude toward the family, concerning the area of social security and social activities such as health, education, and culture. Minimal attention is paid to unemployment and social pathology and negative manifestations, for its structural component are, in general, not elaborated in the programs of the leading parties. Furthermore, the various aspects of the issues discussed in these programs show virtually no differences in their demands other than in the part dealing with population policy, in which the views of the Macedonian parties differ from those of the Albanian PDP. The problems of the social sphere are ignored and, according to Lazarevski, it is evident that there is a lack of a stable systematic and strategic policy aimed at resolving such issues. The parties are essentially resorting to temporary measures aimed at lowering social tensions. Also worrisome is the fact that factors which generate social stress remain unresolved. An exclusive political situation is created in the country, the threatening dimensions of which could escalate not only in the area of social tension but also of interethnic tension. Yet we know that the symbiosis of social with interethnic tension can only lead to radicalism in relations and extremism in actions.

Superficial Approach

In the course of elaborating the objectives, priorities, and modalities of social policy as their programmatic stipulations, the parties reveal their weaknesses in terms of the lack of system and superficiality of their approach. The dignity of man, ensuring the social security of the employed and unemployed, the retired, and the handicapped (SDSM) are formulated as objectives of social policy, and made consistent with the essential factors ensuring a better quality of life of the citizens. Included here are stipulations on the real establishment of a living and wage minimum (SDSM, SPM), followed by expanded right to social protection, and level of social aid guaranteeing human dignity (SDSM), and a social standard for everyone in terms of health and social protection and education (VMRO-DPMNE), as well as a realistic extent of social services and the protective function of social policy applicable to only those who, for objective reasons, cannot work, the social status of the disabled, regular payment of pensions, and cheaper or free-of-charge textbooks to the socially threatened (SPM). In this respect, the system of social security is interpreted as the unity of institutions, interactions, motives, objectives, and instruments as part of the dominant system of social benefits, which decisively influence the shaping of the power of the state. Based on what the parties demand in their programs, Lazarevski says, one could confidently say that this system is relatively modestly included in the programmatic documents. Essentially, they provide equal opportunities for all (SDSM, SP, VMRO-DPMNE), and for social democracy and justice, favored by the PDP, whereas the VMRO-DPMNE opposes any further existence of privileges. Also included is the stipulation on the social state, based on the principles of freedom, justice, and human solidarity (VMRO-DPMNE, SDSM, SPM), as well as the long-term target of building a state of prosperity (VMRO-DPMNE). The only noteworthy feature is the difference in the interpretation of the right to social aid, which, according to the SDSM, should be an individual

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right, whereas according to the SPM the social status of the family should be the basis for determining the social protective measures.

What About Deviant Manifestations?

The problem of unemployment and technological levels related to employment is discussed in all programs. However, any promise of rapid employment of thousands of unemployed Macedonians (VMRO-DPMNE) is demagogic. The VMRO-DPMNE, SDSM, and PDP are in favor of a new investment policy as a safety valve against unemployment, whereas the SPM supports the initiative of opening new jobs through measures aimed at promoting a development policy. The party programs also deal with social activities as the individual segments of a social policy. Thus, other than in the programs of the LP and the VMRO-DPMNE, health care as an activity is cumulatively included in these documents and considered as health care systems and health care policy. Thus the PDP and the SDSM are in favor of an efficient and humane health care system, implemented in its organizational, financial, and ethical dimensions, whereas the SPM favors a modern organization of health care and the health protection of the entire population. The SDSM and the PDP emphasize the healthy life of present and future generations, while the SPM is in favor of promoting the training of health workers and setting high standards in health protection. The educational system in the programmatic documents is present in the requirements of adopting European standards and a reform of the educational system (VMRO-DPMNE, SDSM, SPM). This includes requirements for a new system for financing education (SDSM) and private initiative (VMRO-DPMNE). The issue of the function of the state in the field of education is not developed more specifically in the programmatic documents. Education policy is most frequently projected within the dimension of the reform of education (SPM), stimulation of talented individuals (SDSM, LP, SPM), and eradicating illiteracy (SPM).

The attitude of the parties represented in parliament toward social policy makes it clear that there are no outstanding differences among them. The main feature of all of them is the unsystematic and extremely superficial treatment of such problems, clearly indicating that entire areas and groups have been ignored, such as socially deviant actions, or the problems of the disabled and the handicapped. Perhaps they should not be blamed for this, considering the times when they were drafted, for the desire for change was stronger than the determination of who could specifically implement what and the amount of time this would take. The forthcoming second multiparty elections will show whether the declarative attitude toward social policy will continue in the future as well. This means that the parties will have the opportunity to abandon their past policy in resolving social issues through the current control of the safety valve for the release of social tension. Social problems cannot be resolved without an integral solution reached by all the segments that constitute the state.

Implications of Citizenship Law Examined

94BA0346A Skopje PULS in Macedonian 1 Jul 94 pp 19-22

[Article by Dzvezdan Georgievski: "Political Identification"]

[Text] *What is making citizenship status topical now is neither vacation time (the assumed and actual rush for Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] passports), since, to tell the truth, the choice of tourist destinations abroad is quite narrow (not just because of the blockade, but also because of the welfare situation), nor even the impossibility of getting any big lottery prize (since even the lottery is not what it was some time ago), but human fates are human fates. The reason does not even lie in the demand from those professionals from the Yugoslav Army, or even from the professional armies of the Croatian krajinas and of the so-called republic of Srpska. It simply has to do with the census and the political trench battle being waged over it.*

The story of FYROM citizenship does not start with the establishment of the new Macedonian state, either during the period of the collapse of the former Yugoslavia nor even during the years before that, nor after the end of World War II, nor in 1948, when the Macedonian state, for the first time, established citizenship records. No: The citizenship story starts on the Monday when one passionate lottery player went to the FYROM Lottery counter to collect the winnings from a "five" he had won (to be exact, 950 denars). The clerk fortunately asked him for identification. The man gave her an ID card from the former Yugoslav People's Army, and received the expected answer that it was no longer valid. In response to the words that he did not have any other one, the clerk told him that then he would not get the money.

Of course, there are many more unpleasant fates than that of the (un)lucky lottery winner. A person who had not succeeded in getting citizenship, and who was thus a non-Macedonian, who was married to a Macedonian woman and had lived in FYROM for decades, came down with a serious disease, went to Belgrade for treatment, and died there. His family simply could not bury him where his last country was. According to the legal standards in effect, a foreigner cannot be brought to FYROM from abroad to be buried. It is known for certain that people "turned a blind eye to" this deceased individual, but there are no guarantees at all for, God forbid, others. During the preparations for this article, one of the people who work in this field and were used as sources for the article itself said, "It's a sad thing, but what would it be like if we were sent corpses all the time?"

Although the above-mentioned cases mostly indicate the entanglement of administrative problems in human fates, the story of citizenship that we are trying to tell here is a much more political than administrative one.

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Specifically, both according to international private law and also according to all human rights standards, citizenship is a category that is included among the basic human freedoms. The free flow of people, ideas, and capital cannot avoid including the personal human right to be a citizen where one wants to be. Of course, nowhere—either in the former Yugoslav republics or elsewhere in the world—is this right, as one would logically call it, respected by the state apparatus, but on the contrary, the state is the one that chooses its citizens; they do not choose it.

The method of the choice, i.e., the criteria involved in the citizenship game, are always the same and are always different. Thus, for example, real chaos will be caused by the lottery recently announced in FYROM for obtaining a "green card" for the United States, although even in this case what is involved is a visa (admittedly extremely stable and serious) for residence (if the above-mentioned lottery does have any basis at all), and not for citizenship. On the other hand, however, the conditions for obtaining citizenship for the former SFRY [Socialist Federal Republic of Yugoslavia] were much more liberal than they are now in its former integral parts, but then an SFRY passport was worth much more in the international "black market for passports" (moreover in absolute dollar amounts) than any of the passports of the new sovereign states is worth today.

Although very fundamental, the criterion derived from the black market is not only not fundamental in this region, but is not even taken into account at all. Specifically, the rigid—not to say excessively strict—criteria for obtaining FYROM citizenship, for example (just for comparison, Great Britain requires, as one of the conditions for foreigners, at least five years' continuous residence, whereas in FYROM that period is 15 years) are linked more to everyday political rivalry than to the real (market) value of FYROM citizenship.

Thus, for example, the Law on Citizenship in the Republic of Macedonia (which was published in SLUZBENIOT VESNIK NA RM on 3 November 1992, and went into effect eight days later) is considered by many people to be a liberal normative act (which, in principle, at least in comparison with the laws of several European countries, is true), but which in its application (interpretation) can give rise to several ambiguities. The figures indicate (let us state at once that they are very relative, since the situation changes literally every day) that since the law went into effect to the present day, the Interior Ministry has issued 1.07 million certificates of citizenship (i.e., certificates obtained at PTT [Post, Telephone, and Telegraph] offices, expedited primarily in order to reduce tension before the census, in which, by the way, for a long time it was said that only FYROM citizens could participate—which only confirms the politicization of this issue), and then there were positive responses to 325,000 applications, and 58,750 applications from those who are now foreigners, while 1,600 appeals were upheld and 5,500 rejected. It is expected that a large number of the rejected applications will be approved (if they have not been already) after the submitted appeals, but all the rest would go into that category known in political slang as the "gray number," i.e., unknown or unresolved. According to a news conference by Minister of Internal Affairs Ljubomir Frckovski, this figure amounts to about 100,000 adults, but according to other calculations, there are 150,000 "gray" (non)citizens. In any case, both of these figures are too large to be so easily tolerated in this political turmoil (and even under normal conditions).

Since only two facts regarding this issue will be published after the census: the citizens of the Republic of Macedonia and those who are not, regardless of whether the applications for citizenship are in progress or not, accusations may be heard, especially from the Albanian parties, that many "cases" are being deliberately delayed just so that people will not obtain citizenship status during the census, and so that the rules for the elections will not be arranged differently.

By the way, a person can become a FYROM citizen by origin, by birth, by naturalization, and by international treaties. The most important articles in the law (according to our assessment) are 4, 7, and 9, and we will quote most of them here. Article 4 regulates citizenship by origin, and provides (as international standards also do, by the way) that at the moment of birth a child (regardless of whether he is born abroad or on the territory of the Republic of Macedonia) becomes a Macedonian citizen, provided one or both parents are citizens of our country. The same applies to adopted children. Article 7 provides that a foreigner can obtain citizenship; the "candidate" has to meet eight conditions for citizenship:

(1) He has to be an adult;

(2) Before submitting the application, he must have resided in FYROM legally for at least 15 years continuously;

(3) He has to be psychologically and physically healthy (although this formula is difficult to explain, it is nevertheless a legal act, which means that there is also room for abuses here, and several experts confirmed to us that what is meant is a mentally healthy individual, and not a psychologically and physically healthy one);

(4) He has to have an apartment and a permanent source of funds guaranteed;

(5) Criminal proceedings can not be under way against him in his country of origin or in FYROM (i.e., they are possible in other countries);

(6) He has to know the Macedonian language;

(7) His (possible) citizenship must not jeopardize the security and defense of FYROM (which, after all, constitutes the discretionary right of a state, or state apparatus, to accept someone into its ranks or not). In any case, definite criteria cannot be found for this point, and

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so there is a considerable possibility that the authorities might exploit it now and in the future.

(8) He must have a document releasing him from his foreign citizenship, or else proof that he will obtain a release if he is accepted for FYROM citizenship.

As one can observe, the rules are extremely rigorous, but then there is Article 9, which says that "A foreigner who is married to a citizen of the Republic of Macedonia for at least three years, and who, before submitting an application, legally resides for at least one year on the territory of the Republic of Macedonia, can acquire the right of citizenship in the Republic of Macedonia through naturalization," even if he does not meet the second, sixth, and eighth conditions in article 7. Of course, there are also ambiguities here, since even though it says what it does, many people are inclined to interpret it as saying that the foreigner has to be married to a FYROM citizen who has had that status for at least three years, and not been married for at least three years, which obviously leaves room for manipulation. The above-mentioned Albanian parties (which are also members of the ruling coalition that passed that law) have an amendment to that law, demanding that a nonmatrimonial and matrimonial union be equivalent. In any case, this demand is logical, since one of the issues that determine the level of civilization is precisely the equivalence of these unions, but someone familiar with the law claims that equivalence in this case means the legalization of bigamy, which, according to him, is widespread among the Albanian population in FYROM. Even people from the appeals commission, i.e., those who settle appeals of rejected applications, claim that a considerable number of them are from the unmarried wives of Albanians who are already legally married to other women.

But what are we doing with the still valid citizens of the SFRY? The law does not recognize an interregnum in these cases, i.e., a person is the citizen of a state (even regardless of whether it actually exists or not) until another (nonrestrictive in regard to the previous one) law is passed. It is precisely for that reason that those red passports with the SFRY seal are still valid in FYROM and elsewhere in the world. In that regard, can a citizen of the SFRY now become a citizen of Slovenia, for example? FYROM law (like Slovene law, after all) resolves this through transitional provisions which (in FYROM's case) are valid for one year, i.e., until 11 November 1993. To tell the truth, however, those are also rigorous, requiring a minimum of 15 years' residence in the republic (in the case of FYROM) from which citizenship is sought. The rest can throw themselves into the sea—if there is one, of course.

The law is as it is, however, and it has been in effect for more than one year. What is making citizenship status topical now, however, is not vacation time (the assumed and actual rush for FYROM passports), since, to tell the truth, the choice of tourist destinations abroad is quite narrow (not just because of the blockade, but also because of the welfare situation), nor even the impossibility of picking up some large lottery prize (since even the lottery is not what it once was), but human fates are human fates. The reason does not even lie in the demand from those Yugoslav Army professionals, or even from the professional armies of the Croatian krajinas and of the so-called republic of Srpska (according to unofficial data, even 180 people who in the near future could possibly be declared war criminals have requested FYROM citizenship for various reasons, but none of them are requesting political asylum, for example), which was probably among international precedents—for citizens of one country to be in active military service for another.

What is involved is simply the census and the political trench battle being waged over it. In other words, it is not essential whether someone can be buried in FYROM or not, but rather whether the political map of FYROM can be changed.

But the elections are coming closer, aren't they?

The following participated in the preparation of the article: Z. Smaic, B. Boskov, G. Vezic-S. Obradovic, S. Milevsk-Jovanovska, S. Petrovic, J. Kurciev, and N. Dokovska.

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Italian Official Discusses Minority Issues

AU2907152394 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 29 Jul 94

[Text] Foreign Ministry State Secretary Ignac Golob in Ljubljana today discussed the problems of the Slovene minority in Italy and the Italian demands concerning the return of property to post-World War II refugees with his Italian counterpart Livio Caputo.

As we have previously reported, owing to other engagements Caputo failed to attend the meeting of the border town mayors in Nova Gorica on Wednesday [27 July], when he was also scheduled to meet with Slovene Foreign Minister Lojze Peterle.

Talks on Division of SFRY Assets at Standstill

AU0208155194 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 2 Aug 94

[Text] Even after the latest meetings in Geneva, the debate on the division of the assets of the former joint state of Yugoslavia [Socialist Federal Republic of Yugoslavia, SFRY] has not moved from a standstill. The experts of the European Conference on Yugoslavia and the Slovene representatives, led by Miran Mejak, assess that the process of the division of assets will last for several years. Although Belgrade maintains that it is not creating obstacles, the objective observers are unanimous in the assessment that the Serbian-Montenegrin side is blocking the work of the Geneva succession group with its unacceptable demands and foot-dragging. Sonja Znidarsic has the details:

[Begin recording] [Znidarsic] Belgrade demands that all the property financed from the federal budget after 1945 be divided, despite the fact that the international arbitration commission concluded that the FRY's [Federal Republic of Yugoslavia] demands are unfounded and that only the property of the federation can be divided. Namely, the 1974 Constitution drew a clear line between federal property and republican property.

Tactical games and foot-dragging by the Serbian side provoked the head of the group Alf Jensen and his assistant into putting forward a proposal on the succession agreement. He asked the states that have emerged from Yugoslavia's disintegration to give him their opinions about the division of assets. I have asked Dr. Miran Mejak, head of our delegation in the succession group, how Slovenia reacted and what is our position on the division of joint property:

[Mejak] The Slovene Government passed its opinion at the end of June. It refers to the questions regarding the division of foreign assets, which amount to nearly $400 million; the questions of archives that quote the Vienna Convention; the question of citizenship; the question of the division of assets like the foreign currency reserves, which, at the end of 1990, amounted to $6 billion; and the question of military property, where we favor mutual compensation, namely, that whatever any side might have seized or destroyed be compensated with other components of the federal property.

[Znidarsic] Slovenia, therefore, insists on the views championed in Geneva so far on which a consensus was reached with Croatia, Bosnia-Herzegovina, and Macedonia [The Former Yugoslav Republic of Macedonia]. On the basis of the collected documents, the international commission will compile a proposal on an agreement on which the parliaments of all states will take a stance. If there are no complications, the final succession agreement should be ready by the end of the year.

If the parties involved in the succession negotiations do not agree with it, they can refer the matter to the international court. However, as Miran Mejak said, this would mean the end of the negotiations. [end recording]

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Federal

Government Submits Document to Butrus-Ghali

LD0208215894 Belgrade TANJUG in English 2134 GMT 2 Aug 94

["Pool" item]

[Text] New York, August 2 (TANJUG)—The unjust international sanctions have a devastating effect on social and economic development, warns a Yugoslav Government document. The document was presented to United Nations Secretary General Butrus-Ghali on Tuesday.

The document, prepared for the World Summit on Social Development which will take place in Copenhagen in March next year, contains much data on the devastating effect of the sanctions, which were imposed against the Federal Republic of Yugoslavia in May 1992.

As a result of the sanctions, gross national product dropped 26.2 percent in 1992 against the previous year, and an estimated 30 percent in 1993, the document said.

The U.N. Security Council imposed the sanctions because of the country's alleged involvement in the war in Bosnia-Herzegovina, although a report by Butrus-Ghali at that time said that there were no Yugoslav Army troops in that republic.

The severe sanctions are especially affecting children, the elderly and the ill, because there are shortages of the most elementary food articles and medicines.

The Belgrade daily VECERNJE NOVOSTI said on Tuesday, quoting figures obtained by the Yugoslav Ministry of Science, Technology and Development, that the country has suffered over 45 billion dollars' worth of damages in the 26 months of blockade so far.

Envoy Meets UNSC President on Peace Plan

LD0308084394 Belgrade TANJUG Domestic Service in Serbo-Croatian 0302 GMT 3 Aug 94

[Text] New York, 3 Aug (TANJUG)—Dragomir Djokic, Yugoslav ambassador to the United States, has informed the president of the UN Security Council, Russian Ambassador Yuliy Vorontsov, about Yugoslav standpoints on the contact group's peace plan.

The meeting held on Tuesday evening was requested by the Yugoslav ambassador. Djokic gave Vorontsov the full text of the statements issued by the Yugoslav Government and Serbian President Milosevic as well as the letter sent by the Serbian Government to the Bosnian Serb leadership and asked him to acquaint the Security Council with their content.

Djokic pointed out the intense political activity of Yugoslav and Serbian political bodies and their efforts to achieve a peaceful solution and to get the Bosnian Serbs to respond positively to the contact group's plan.

According to Djokic, Vorontsov was interested to hear the Yugoslav standpoints, and expressed hope that they would lead to an unconditional acceptance of the contact group's plan by the Bosnian Serbs which would enable the negotiations on other issues to be resumed.

Djokic asked Vorontsov to take into account the time needed to complete the activities and the period needed for them to yield results. Djokic said that the UN Security Council should not hurry with placing this issue on its agenda.

According to Djokic, Vorontsov agreed that this should be taken into account because at this moment the resumption of the current peace process and its positive result were most important.

Serbia

Government Urges Bosnian Serbs To Accept Plan

LD0208151494 Belgrade TANJUG Domestic Service in Serbo-Croatian 1404 GMT 2 Aug 94

[Text] Belgrade, 2 Aug (TANJUG)—Following a session chaired by Prime Minister Mirko Marjanovic, the Serbian Government sent a letter to the leadership of the republic of Srpska stressing its surprise and worry caused by the raising again of the issues of map changes and sovereignty guarantees.

The two issues have been clarified "so it is senseless for you to expect that anybody will agree to discuss the issues again before you accept the plan," the letter sent to the republic of Srpska's assembly, its president, and its government says.

This is the full text of the letter sent by the Serbian Government after yesterday's statement by the republic of Srpska leadership and in connection with the Contact Group's peace plan:

"We are pleased that you finally expressed readiness to accept the peace plan in your statement issued yesterday. However, we are surprised and worried by your decision to raise two already clarified issues. It is senseless for you to expect anybody to agree to discuss the issues again before you accept the plan.

"The question of 'unavoidable changes to the maps' is precisely possible according to the peace plan, and is even desirable in the talks with the other side. So this is only confirmation of the vital need for the plan to be accepted, because only acceptance of the plan will make the further course of the peace process possible, and also the negotiations on 'unavoidable changes to the maps,' which you are advocating.

"The question of the integrity or sovereignty of the republic of Srpska was also clarified because you were offered, before the whole world, international guarantees of your border with the Croat-Muslim Federation.

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"Both of these questions were contained in the president's statement. Russia's guarantee was given publicly in connection with both of these questions.

"So the Government of the Republic of Serbia believes that there is no point at all in the 11 million citizens of Yugoslavia waiting any longer for the beginning of the lifting of the embargo unless you clarify for yourselves matters which are clear to the whole world.

"Serbia has made huge sacrifices in order to help you preserve freedom and equality in setting up the republic of Srpska. It is not honorable for Serbia and the whole of Yugoslavia to wait for the beginning of the lifting of sanctions now when all this has been achieved and when the delay in giving a positive response on your part is motivated by disputes about one or two hundredths of the territory of Bosnia-Herzegovina.

"With enormous sacrifices we gave your our support, driven not by whether you get one, or two, or five hundredths of the territory but whether you gain a state, freedom, and equality.

"If despite all this you continue to remain blinded by your selfish, personal, or group interests and if you think that the republic of Srpska or the half of the Bosnia-Herzegovina territory is not enough and on that basis the peace plan on offer, by rejecting the existing peace offer you are poised to carry out a crime against your own people.

"Do not hide behind a referendum. Almost half your population is with us, in the world or on territories under the control of the Croat-Muslim Federation. In addition, the citizens of the republic of Srpska are not being told the truth. It was you and not them who negotiated in Lisbon, London, New York, and Geneva. However, even if all these obstacles were not there, you have no right to decide on the fate of the Federal Republic of Yugoslavia in a referendum.

"If at this moment and with a peace plan on offer you proceed to usurp the right to decide on the fate of the FRY, you, in your capacity of leaders of the republic of Srpska, will destroy any possibility for our further relations.

"We will not let you decide on our fate, and we believe that the Serb people in the republic of Srpska will not let you decide on their fate either.

"With every minute that you postpone the acceptance of peace and the beginning of the lifting of the sanctions you are inflicting huge damage to the whole of the nation and to all the citizens of the Federal Republic of Yugoslavia. You have no right to do that. You have no right to the lives of FRY citizens, no right to any hour or any minute of their lives.

"If you fail to accept peace, you will commit the greatest ever treason of Serbian national interests. This is why you should stop raising issues which have already been clarified, as you did with your initiative yesterday, and pass a decision accepting the plan.

"There will be no new circumstances before this happens because the president has told you this—what we are telling you now—on numerous occasions before. He also presented you with all of this at the meeting on 18 and 19 July in Belgrade, which we also attended. You should not forget the fact that in the Serbian nation there is only one president elected by the people with a full and legitimate mandate. You have no right to procrastinate any more. Pass a decision accepting the plan. The interests of the state and the people demand that."

This is said at the end of the letter by the Government of the Republic of Serbia.

Seselj Denounces Milosevic

AU0208145094 Belgrade BORBA in Serbo-Croatian 1 Aug 94 p 2

[BETA attributed report: "A Betrayal of Serbian Interests"]

[Text] Belgrade—Yesterday, the Serbian Radical Party [SRS] condemned President Slobodan Milosevic's statement to POLITIKA as "betrayal." "The statement represents definite proof that Milosevic has betrayed the interests of the Serbian people," said Party President Vojislav Seselj—who was yesterday expelled from Montengro by the Montenegrin police—at a news conference in Belgrade.

"Slobodan Milosevic has led us into the war, many Serbian soldiers have died with his name on their lips, yet now he is trying to evade the issue as if he had not participated in it," Seselj said.

Seselj said that Slobodan Milosevic's greatest mistake was that he had agreed to take part in the negotiations, instead of—once the Yugoslav People's Army had withdrawn from Bosnia-Herzegovina—rejecting this because Bosnia-Herzegovina is a different state.

"However, he did not do so because he wanted to be the leader of all Serbs. He is going to pay for this mistake with his fall from power regardless of whether everything will end with victory or defeat," stated Seselj.

Djindjic Insists on Support for Bosnian Serbs

LD0208161794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1442 GMT 2 Aug 94

[Text] Jagodina, 2 Aug (TANJUG)—Zoran Djindjic, chairman of the Democratic Party [Demokratska Stranka, DS], said today that any worsening of relations between the two Serbian states could be disastrous at a time when a favorable solution to the Serbian national issue is looming.

Commenting on Radio Jagodina on the conflicting views on a political solution to the crisis in the territory of the

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former Bosnia-Herzegovina between the leaderships in Pale and in the Republic of Serbia, he said that "if, in addition to verbal and other pressures, the parent country of Serbia suspends all material, humanitarian, and other assistance to the Srpska republic because of their different views on the Contact Group's peace plan, all systems of values built in both Serbian states over the past three years will go down the drain."

This is why I believe that everything will end with the differences in political stances between Milosevic and Karadzic, because no one has the right to leave our brothers on the other side of the Drina River without food, medicines, and whatever else they need for survival, Djindjic said.

He added: The assistance being sent is not the property of any political party or individual, but belongs to all of us, citizens of the republic. He stressed his belief that "any punishment of the Srpska republic is out of the question, because that would inflict unforeseeable damage on further relations between the two territories, which will in future become one state."

Djindjic noted that he believes the fears of the Serbs in the Srpska republic "are not without foundation because Russian Foreign Minister Kozyrev is promising an independent Serb state in Bosnia-Herzegovina, while U.S. Secretary of State Christopher is insisting on a single Bosnia-Herzegovina federation without a Serb state."

Djindjic said the leaderships of Serbia and the Srpska republic should jointly seek written guarantees from the international community, because the Serb nation has learned from experience that a word does not mean much in diplomacy.

It is on this point that individuals in power in Serbia and the Srpska republic could rein in their irascible temperaments and thus secure a solution to the Serb national issue, the DS chairman said in conclusion.

Expert Views Banks' Purchase of Slovene Debt

AU0208201494 Belgrade POLITIKA in Serbo-Croatian 2 Aug 94 p 7

[Report by S. Ristic: "A Very Good Deal or Great Damage for Serbia"]

[Text] The greatest portion of the Slovene foreign debt was most likely purchased by the Serbian banks. It has transpired once again that "where there is smoke there is fire," that is, that the writing of the Slovene and some foreign press is more of less correct. True enough, in this case there is "more smoke than fire" for the time being, because the answers to numerous questions about the transactions connected to the purchase of the Slovene debts are mostly veiled "in a curtain of silence" by the participants and those responsible for this financial "maneuver."

As Dr. Zarko Ristic, professor at the Economic Faculty in Belgrade, says that it is known is that Beobanka, Beogradska Banka, and Jugobanka were at the vanguard in the purchase of the Slovene debts. There is talk in the European circles, Dr. Ristic says, that the Serbian banks have also "participated" in the purchase of the Macedonian [The Former Yugoslav Republic of Macedonia] and Croatian foreign debts.

How To Collect the Debt

There are two versions, Ristic says, about the purchase of the Slovene foreign debt. According to the first one, $200 million to $300 million are involved. According to second, more probable one, the sum involved is $700 million to $900 million.

The purchase or the foreign debt of a country is not unknown in international financial transactions, according to Ristic. The creditors, that is to say, the debt collectors at a given moment conclude that it would pay them to sell the debt at a considerably lower price. This allows them to obtain a part of the capital immediately. As the financial experts "rumor," the Slovene debt was purchased for 35.3 cents a dollar, or even as little as 20 cents a dollar....

"The buyer of a debt is only left with the dilemma of when and how to collect the debt from the debtor," Dr. Ristic adds.

This is not easy even in normal circumstances, Dr. Ristic says. In this case, in order to start collecting debts, the sanctions must be lifted first. If this happens, the debt could pay off many times over—to buy goods in short supply for Serbia from Slovenia, to service the foreign currency balance, to service the Serbian internal debt (within the framework of the former Yugoslavia) at its full value. Henceforth, one could say that a good deal was struck by purchasing the debt, however....

"If the Serbian banks used the so-called swap deals in this transaction, that is, transformed the foreign debt into stock capital, the debt could realistically be collected. However, there are indications that this was not done. Nothing definite is known about this deal yet beside what is realistic in financial deals of this type, which is that middlemen took their 15 percent cut, which was paid immediately," Dr. Ristic says.

Who Gains?

Dr. Ristic emphasizes that the National Bank of Yugoslavia and the National Bank of Serbia should have been informed of and consulted about this financial transaction on time. As Ristic says, it is their place to give the correct information about everything.

"It is not merely about who pocketed the dealers' cut, but about when and how the considerable foreign currency resources were utilized. What I meant to say is that it suited Slovenia that Serbia purchased the debt while it was under sanctions. Namely, for the duration of

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blockade, Serbia cannot collect payments. On the other hand, as a result of this purchase, Slovenia was relieved from the regular repayment of debts, which were not reprogrammed and, therefore, had no additional interest charged on them. All in all, in the previous period and during the secession, the Serbian banks have indirectly saved the foreign currency reserves of Slovenia," Dr. Ristic says.

It would be much better, also according to Dr. Ristic, if the Serbian banks had organized the repayment of the Serbian foreign debt instead of causing havoc on the country's financial market by dealers, foreign currency dealers' cuts, and the "secret draining" of foreign currency from the country.

However, what is done, is done. It would now pay to discuss all this in the appropriate place and also to take measures so that the Serbs would be not be tricked again and see their "foreign currency going down the drain." The citizens of Serbia nevertheless have the right to be informed. Dr. Ristic believes that after the lifting of the sanctions, if not before then, light should be shed on the details of this as well other similar cases like the one connected to Former Foreign Affairs Secretary Budimir Loncar, to whom an old foreign currency bank deposit was paid out in full.

Problems With Government Wheat Harvest Plan

94BA0344A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 20 Jun 94 p 12

[Article by V. Stevanovic: "The Harvest: A Surplus Is (Not) a Headache"]

[Text] Two weeks before the beginning of this year's harvest, the fate of the grain, which will be harvested from about 900,000 hectares of plowland, is still uncertain. Weather conditions this year have helped to make a crop that by all estimates will be 15 percent larger than last year (3.45 million tons are expected), which has put the authorities in a stressful situation. Because of the stocks carried over from last year, but perhaps still more because of the intention to finance this year's purchases from real sources, officials are in a bind: Should they rejoice at the new wheat or curse it?

We Do Not Have the Money

The estimate is that after the harvest there will be about 3.9 million tons of grain in silos. Taking into account steady domestic consumption, this year's marketable surpluses will range at about 1.8 million tons of wheat. Buying that quantity of grain will require between 320 million and 360 million dinars, depending on the base price used in the sales transaction. Judging by what we heard in recent meetings in the Economic Chamber of Serbia and Agrobanka, where the Cooperative Alliance of Yugoslavia held its assembly, that money simply does not exist. The state, probably for that very reason, is giving up its monopoly on purchases this year. Plans called for commodity reserves directorates to buy 450,000 tons of wheat (Serbian wheat 400,000, Montenegrin 50,000), and all remaining quantities would be left to the market.

Milling organizations and export-import firms would be potential buyers. The trouble is that the former seem to have been financially plundered (Slobodan Trifunovic, Zitokop of Novi Sad: "We have been the custodians of social peace and the standard of living. Our prices were the only ones frozen. We have no money."), and the latter will hardly find an economic interest in exporting wheat. Even if they manage to break through the international blockade, wheat prices on world markets are weak. Recent figures from grain exchanges show a mild increase in the price of wheat, but prices are far below the support price in effect in our country at the moment. The federal government prescribed a support price of 18 para per kilogram, Dragisa Sljivancanin, president of the Cooperative Alliance of Yugoslavia, has officially announced the assessment of that association that the support price ought to be at least 25 para per kilogram, leaving open the possibility that the optimum price for private producers, who as a rule have smaller plots and yields, would be 29 para per kilogram. At the moment last year's inventories are being offered on the market as low as 15 para per kilogram, but there is no demand at all.

The world price of wheat varies between $90 and $95 per ton, not including export costs. When they are deducted, and they are horribly high (especially for domestic rail transport), a kilogram of wheat can barely bring 10 pfennigs. No one is even thinking about export incentives financed from the budget—there is no money for that.

Paying Taxes With Wheat

Whoever the buyer is, the state or someone else, the problem remains of how payment is to be made. To be sure, it has been defined and seems to have been accepted by the peasants, but that is as far as it has gone. The plan is for purchases this year to be paid for in three installments so as to avoid last year's hyperinflationary experience. The first installment of 30 percent of the value of the wheat purchased would be paid in "cash" or into an account, depending on who is selling the wheat, and the other two of 35 percent each would be paid in 30 and 60 days. This delayed payment would take place through savings accounts (for private producers) or in the form of securities with an exact maturity date. The interest at the outset would be 9 percent per annum.

The problem is that real funds have not been furnished even for this delayed purchasing. Ivko Djonovic, minister for agriculture in the Serbian government, remarked at a meeting in the Economic Chamber of Serbia that an agreement has not yet been reached on how the financing would be done with the National Bank of Yugoslavia [NBJ], but the point of departure in making the model was that the purchasers would provide

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30 percent from their own funds and the commercial banks would match them for the rest. The latter, if one is to judge from what we heard in the Assembly of the Cooperative Alliance of Yugoslavia, do not have the credit coverage for that. The idea of removing the legal reserve requirement for the banks, which is the last instrument the NBJ possesses, is seen as a partial solution, both because of the modest financial effect (about 50 million dinars at the level of the entire commercial banking industry) and also because of the risk which this move inevitably involves. Djonovic, it is true, has said that a barter system is planned (wheat for diesel fuel, fertilizer, agricultural machines) as well as the possibility of using grain to pay obligations to the state, in order to reduce the size of the share of the financial pie that the commercial banks would have to furnish. In this case, the banks would have to furnish only 57 million dinars for purchases in July and August, but it remains to be seen who will cover the expenditure for fuel, fertilizer-...and how this will be done, and for that matter who will provide money for purchases to the impoverished mills.

In the present price relations, according to Bozo Mitrovic of the agricultural cooperative in Kikinda, 27 cars of grain would have to be "delivered" for one combine, while last year, with hyperinflation, it took only 18 cars. If that is also the case with diesel fuel and fertilizer, the peasants will do just fine. Certain announcements that diesel fuel would be exchanged for wheat in a ratio of 1:8 were well-received by the farmers, assuming there is fuel in the first place. The Serbian minister for agriculture has announced that 40,000 tons of diesel fuel for farm operations have been provided for in the physical balance, with half of the planned quantities being delivered during July. The first amount of 15,000 tons is supposed to be at stations beginning on 20 June, and the remaining 5,000 tons will be delivered by 15 August. That is a bit late for harvesters, but it is hard to believe that with the main job for this year approaching the farmers will sit on their hands waiting for the state to provide them the fuel they need.

If the announcements that there will be no problem with fuel are borne out, there still remains the problem of how to store the harvested wheat in the silos. Serbia has storage capacity of about three million tons of grain, but because of last year's inventories, it is already loaded to some extent (the estimates vary from 30 to 50 percent). In any case, if the storage capacity is to be optimally utilized, the grain will have to be transported, and, at the rail rates at the moment, that is going to be a bit difficult. Those rates are 40 percent higher than the rates in the European countries for the same service. Minister Djonovic promised that there would be a drop in the rail rates for wheat, and we must take his word that that will be the case in view of the government's power in this area.

Kosovo

Army Units Reportedly Moving Toward Pristina

AU0208182194 Tirana Radio Tirana Network in Albanian 1330 GMT 2 Aug 94

[Text] The Kosova Information Center reports new movements of Serbian troops from Peje toward Prishtina. An armored unit of the Serbian Army, including dozens of heavy vehicles, cannons of various calibers, and other military equipment, went along the Peje-Prishtina road. Another movement of Serbian Army trucks has been observed on the Fushe-Kosova-Peje road.

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